



مؤسسة مدينة دبي للطيران
DUBAI AVIATION CITY CORPORATION

دبي الجنوب
**DUBAI
SOUTH**

DUBAI SOUTH COMPANIES REGULATIONS 2025



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TABLE OF CONTENTS

PART 1 - GENERAL		1
1.	Title	1
2.	Legislative authority	1
3.	Application of regulations	1
4.	Date of commencement	1
5.	Definitions	1
6.	Interpretation	5
PART 2 – REGISTRATION AND LICENSING DEPARTMENT		5
7.	Appointment, powers and functions of the registration and licensing department	5
PART 3 – FREE ZONE ENTITIES		7
8.	Free zone entities	7
9.	Restrictions on commencement of business	7
PART 4 – COMPANY		7
10.	Status of a company	7
11.	Incorporation of a company	7
12.	Name of company	8
13.	Articles of association	9
14.	Amendment to the articles	10
15.	Effect of the articles	10
16.	Registers to be maintained by company	10
PART 5 – BRANCH		11
17.	Status of branch	11
18.	Registration of a branch	11
19.	Name of branch	12
20.	Registers to be maintained by branch	13
21.	Records kept by branch	13
22.	Accounts of branch	13
PART 6 – SOLE ESTABLISHMENT		13
23.	Status of sole establishment	13
24.	License for sole establishment	14
25.	Name of sole establishment	14



PART 7 – CAPITAL AND SHARES OF THE COMPANY		14
26.	Shareholder and capital	14
27.	Nature of shares	14
28.	Classes of shares	15
29.	Purchase of own shares	15
30.	Treasury shares	16
31.	Amendment to share class	16
32.	Variation in the rights of shares	16
33.	Non-cash consideration for shares	17
34.	Alteration of share capital	17
35.	Increase of share capital	18
36.	Decrease of share capital	18
37.	Share transfer	19
38.	Dividend and other distributions	20
39.	Unlawful distribution	20
PART 8 – SHAREHOLDERS MEETINGS		21
40.	Annual general meetings	21
41.	Request of meetings	21
42.	Power to call meetings	21
43.	Notice of meetings	21
44.	Representation of corporate entity at meetings	22
45.	General provisions as to meetings and votes	22
46.	Written resolutions	23
47.	Recording of decisions by sole shareholder	23
48.	Participation in meetings	23
49.	Proxy	23
50.	Demand for poll	24
51.	Minutes and examination of minute book	24
PART 9 – DIRECTORS, MANAGER AND SECRETARY		24
52.	Directors	24
53.	Election, term and removal of a director	25
54.	Duties of a director	25
55.	Duty to avoid conflicts of interest	25
56.	Duty of a director to disclose interest	26
57.	Prohibition of financial assistance to directors	27
58.	Alternate director	27



59.	Validity of the acts of a director	27
60.	Delegation of power by director	28
61.	Decisions of directors	28
62.	Manager	28
63.	Secretary	29
64.	Change of officers	29
65.	Disqualification of officers	29
66.	Exemption, indemnification and liability of officers	30
67.	Provision of professional indemnity insurance	30
PART 10 – AUDIT AND ACCOUNTS		30
68.	Preparation of accounts	30
69.	Auditor	30
70.	Auditors' report	31
71.	Duties of auditor	31
72.	Resignation of an auditor	32
73.	Financial year	32
74.	Maintenance of accounts	32
75.	Copies of accounts	33
76.	Cooperation with auditors	33
PART 11 – RE-DOMICILIATION		33
77.	Transfer into the freezone	33
78.	Certificate of continuation	35
79.	Transfer out of the free zone	35
80.	Refusal for transfer to another jurisdiction	36
PART 12 – DORMANCY		36
81.	Voluntary suspension of license	36
PART 13 – CONVERSION		37
82.	Conversion of branch to company	37
PART 14 - LIQUIDATION		38
83.	Modes of liquidation	38
84.	Bankruptcy	38
85.	Deregistration by the registration and licensing department	38
86.	Voluntary liquidation	39
87.	Appointment and duties of liquidator	39



88.	Vacancy in office of liquidator	40
89.	Distribution of assets	40
90.	Directors' powers	40
91.	Completion of liquidation	40
92.	Records of dissolved company	40
93.	De-registration of a branch	40
PART 15 – INSPECTION, POWER, AND REMEDIES		41
94.	Appointment of inspectors	41
95.	Powers of inspectors	42
96.	Evidence to inspectors	42
97.	Expenses of investigation	42
98.	Inspector's reports	42
PART 16 - OTHER POWERS OF REGISTRATION AND LICENSING DEPARTMENT		43
99.	Direction to comply with these regulations	43
100.	Powers to obtain or share information	43
PART 17 – SHARE PLEDGE		43
101.	Share pledge	43
102.	Creation and registration of share pledge	44
103.	Amendment or release of share pledge	44
104.	Effectiveness and priority pledge	45
105.	Default of share pledge	45
PART 18 – MERGER		45
106.	Interpretation	45
107.	Resolutions and certificates	46
108.	Merger agreement	46
109.	Approval for merger	47
110.	Objection by shareholders	47
111.	Notice to creditors	47
112.	Consent of registration and licensing department	48
113.	Effect of completion of merger	49
PART 19 – SANCTIONS		49
114.	Contraventions	49
115.	Non-payment of fees	49
116.	Termination of license	50
117.	Implications of strike-off	50
118.	Application to court	51



PART 1 - GENERAL

1. TITLE

- 1.1. These Regulations are titled as the Dubai South Companies Regulations 2025.

2. LEGISLATIVE AUTHORITY

- 2.1. These Regulations have been issued by His Highness Sheikh Ahmed bin Saeed Al Maktoum, pursuant to the authorities delegated to him in his capacity as the Chairman of the Corporation under Law No. (10) of 2015 Regarding Dubai Aviation City Corporation.
- 2.2. This edition of the Regulations repeals and replaces the provisions in relation to company matters in the first edition of the Free Zone and Administration Rules and Regulations issued in March 2010.
- 2.3. These Regulations shall be read in conjunction with the Dubai South Free Zone Rules 2025, Second Edition and any amendments thereof.
- 2.4. These Regulations and any implementing procedures will be reviewed and updated as and when considered appropriate. Any amendments or updates to these Regulations will be issued by the Executive Chairman of the Corporation by way of resolution and made available electronically via the website.

3. APPLICATION OF REGULATIONS

- 3.1. These Regulations apply in the jurisdiction of the Free Zone.
- 3.2. The provisions of Federal-Decree Law No. (32) of 2021 Concerning Commercial Companies, its amendments or re-enactments shall apply to Free Zone entities only in respect of matters not contained in these Regulations.

4. DATE OF COMMENCEMENT

- 4.1. These Regulations will come in force on the date of their issuance subject to any exceptions as may be designated by the Corporation.

5. DEFINITIONS

- 5.1. In these Regulations the following terms have the corresponding definitions, unless the context requires otherwise:

“AED”	means the UAE dirham, the lawful currency of the UAE.
“Allotment”	in relation to Shares, means the action by which a person acquires the unconditional right to be included in a Company’s Shareholder Register in respect of such Shares.
“AML”	means anti-money laundering.
“Articles”	means articles of association of the Company (including any amendments from time to time).
“Bankruptcy Law”	the UAE Bankruptcy Law – Federal Law No. 9 of 2016, as amended pursuant to Federal Decree-Law No. 35 of 2021 (and includes any re-enactments or amendments).
“Branch”	means a branch of any company (inside or outside the UAE) registered in the Free Zone.
“Branch Parent”	in respect of a Branch, means a company that registers a Branch in the Free Zone.



“Branch Parent Register”	means a register of Branch Parent maintained by the Branch under Regulation 20.1.
“Certificate of Continuation”	means the certificate issued to a Non-Dubai South Company by the Registration and Licensing Department confirming that the Non-Dubai South Company has continued as a Company in the Free Zone.
“Company”	means a limited liability company owned by one (1) or more Shareholders registered under these Regulations (which, for the avoidance of doubt, excludes a Branch and Sole Establishment).
“Connected Person”	means the spouse, child or any first-degree relatives, of a Director.
“Conversion”	means the conversion of a Branch to a Company.
“Corporation”	means Dubai Aviation City Corporation.
“Creditors”	means a person who has a present, prospective, or contingent claim.
“Director”	means a natural person occupying the position of a director of a Company, including an alternate director.
“Electronic Document”	means a document including a book, report, register, application, agreement, minutes of a meeting, a resolution, financial statement, notice, letter, forms, and accounts, that may be generated, communicated, received or stored by email, or other means in or from an electronic system designed for sending, storing, receiving, or processing information.
“Executive Chairman”	means the executive chairman of the Corporation from time to time.
“Free Zone”	means the Dubai South Free Zone established originally in accordance with Law No. (8) of 2006 and later repealed by Law No. (10) of 2015.
“General Meeting”	means a meeting of the Shareholders held in accordance with these Regulations.
“IFRS”	means the International Financial Reporting Standards.
“License”	means the commercial License granted to an entity by the Registration and Licensing Department to undertake certain business activities within the Free Zone.
“Manager”	means a natural person occupying the position of manager, as named on the License of a Company or a Branch.



“Non-Dubai South Company”	means a company incorporated in any jurisdiction (inside or outside of UAE) other than in the Free Zone.
“Officer”	means a Director, Manager or Secretary.
“Officer Register”	means a register of Officers maintained by the Company and Branch under Regulation 16.5.
“Ordinary Resolution”	means a resolution passed at a General Meeting by at least fifty-one per cent (%51) of the Shareholders with voting rights, in person, by an Electronic Document or where proxies are allowed, by proxy.
“Paid-Up”	means the amount paid or credited by the Shareholders of a Company.
“Pledgee”	means a person that holds the Shares in a Company as security and has the right to enforce the pledge in case of default or non-performance by the Pledgor.
“Pledgor”	means a person that pledges its Shares in a Company as security for the repayment of a debt or the performance of an obligation.
“Publication”	means to publish a written notice: (a) on the website, electronically; (b) in one local daily Arabic newspaper; or (c) such other manner as may be prescribed by the Registrar from time to time.
“Record”	means records maintained by the Company, including a book, report, register, document, accounting records, financial information, minutes of a meeting, Ordinary Resolution, Special Resolution, Directors’ resolution, financial statement, management accounts, notice and accounts, including but not limited to Electronic Documents.
“Register”	means the register maintained by the Registration and Licensing Department in relation to Company, Branch, and Soles Establishment registered in the Free Zone.
“Registered Office”	means the premises of the Free Zone entity referenced on its License (except in the instance of a Sole Establishment) or such other address as may be notified to the Registration and Licensing Department or third parties from time to time.
“Registration and Licensing Department”	means the department of the Corporation that provides License and registration related services.



“Regulations”	means these Dubai South Companies Regulations 2025 (as may be amended from time to time).
“Rules”	means the Dubai South Free Zone Rules 2025.
“Secretary”	means a natural person occupying the position of secretary of a Company.
“Securities”	means any instrument including Share Pledge, stocks, Shares, debentures, warrants, certificates, units, options or any right to or any interest in such instrument.
“Share”	means the shares in the capital of a Company and “Shares” shall be construed accordingly.
“Share Capital”	in relation to a Company, means the sum of the value of all the Shares issued by that Company.
“Shareholder”	means a person or a corporate body registered in the Shareholder Register of a Company as the holder of a Share in that Company.
“Shareholder Register”	means a register of Shareholders maintained by the Company under Regulation 16.2.
“Share Pledge”	means a type of Security that involves transferring or holding a number of Shares of a Shareholder as security by a financial institution or person as a guarantee for the repayment of a debt or the performance of an obligation of the Pledgor or the Company.
“Sole Establishment”	means an entity owned and operated by natural person that is issued a Sole Establishment License for conducting freelancer services in his or her own name.
“Special Resolution”	means a resolution passed at a General Meeting by at least seventy-five per cent (75%) of the Shareholders with voting rights, in person, by an Electronic Document or where proxies are allowed, by proxy.
“Standard Articles”	means the model Articles for a Company prescribed by the Registration and Licensing Department from time to time.
“Tariff”	means the schedule of fees for the provision of various corporate and commercial services in the Free Zone.
“Treasury Shares”	means Shares which can be purchased and held by the Company.
“UAE”	means the United Arab Emirates.
“UBO”	means the ultimate or the real beneficial owner of a Company or Branch.



“UBO Register”	means a register of UBO maintained by the Company and Branch under Regulation 16.6.
“UBO Regulations”	means the Cabinet Resolution No. (109) of 2023 concerning the Regulation of Real Beneficiary Procedures (“Cabinet Resolution”) and Cabinet Resolution No. (132) of 2023 Concerning the Administrative Penalties against Violators of The Cabinet Resolution as amended from time to time.
“Violations Code”	means the schedule of fines and penalties published by the Corporation periodically for the enforcement of these Regulations and any Rules in the Free Zone.
“Website”	and the defined term is mes the official website of the Free Zone “dubaisouth.ae” or any other website designated by DWCC

6. INTERPRETATION

6.1. In these Regulations, unless otherwise provided, a reference to:

- (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
- (b) a “day” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar which is either a Saturday or Sunday or an official public holiday, the obligation shall take place on the next calendar day which is a business day;
- (c) an “entity” or entities” shall mean Company, Branch and/or Sole Establishment;
- (d) a “person” includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
- (e) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in these Regulations, include Publications or causing to be published in printed or electronic form;
- (f) a “month” shall mean a calendar month or thirty (30) days; and
- (g) a “year” shall mean a period of three hundred and sixty-five (365) days and a “calendar year” shall mean a year of the Gregorian calendar.

PART 2 – REGISTRATION AND LICENSING DEPARTMENT

7. APPOINTMENT, POWERS AND FUNCTIONS OF THE REGISTRATION AND LICENSING DEPARTMENT

- 7.1. The Registration and Licensing Department may appoint such officers as may be necessary to assist in the performance of its functions under these Regulations, or under any other regulations, rules, policies or decisions issued from time to time.



- 7.2. The power and functions of the Registration and Licensing Department shall include, but shall not be limited to:
- (a) ensuring the compliance by an entity with the Regulations;
 - (b) administering the Regulations;
 - (c) carrying out acts required by the Corporation under the Regulations;
 - (d) taking action against an entity for a breach of the Regulations;
 - (e) maintaining the Register;
 - (f) collecting fees as may be prescribed from time to time;
 - (g) issuing, suspending, revoking, terminating or cancelling a License;
 - (h) undertaking acts as may be required in furtherance of the functions and powers of the Registration and Licensing Department; and
 - (i) exercising and performing such other powers and duties as may be delegated to the Registration and Licensing Department pursuant to the provisions of these Regulations or as conferred by the Corporation from time to time.
- 7.3. In accordance with its powers and in furtherance of its functions, the Registration and Licensing Department may:
- (a) issue in writing, with or without conditions, a notification, waiver, clarification, circular, an authorisation, consent, approval, decision, guideline or communication in relation to any Regulation or any matter in these Regulations;
 - (b) require a Company or Branch to provide its Records or information to the Registration and Licensing Department; and
 - (c) prescribe guidelines or forms to be used for regulatory functions.
- 7.4. The Registration and Licensing Department has the power to do whatever it deems necessary for, or in connection with, or reasonably incidental to, the performance of the Registration and Licensing Department's functions.
- 7.5. The Registration and Licensing Department may grant such approval or consent, take such action, or exercise such discretion, including imposing any conditions or other requirements, as the Registration and Licensing Department may consider necessary.
- 7.6. Unless expressly set out in these Regulations, the Registration and Licensing Department is not required to provide any reasons for the refusal to grant approval or consent for any decision or the exercise of its discretion.
- 7.7. The Registration and Licensing Department shall disclose confidential information received during the performance of its functions or duty under these Regulations or otherwise where such disclosure is:
- (a) permitted or required under these Regulations, by any other UAE law, or any competent government authorities; and
 - (b) made in good faith for the purposes of performance and exercise of the functions of the Registration and Licensing Department pursuant to these Regulations.
- 7.8. The Registration and Licensing Department shall maintain and update the Register containing information in relation to the entities in the Free Zone.
- 7.9. The Registration and Licensing Department shall, upon application and payment of the prescribed fee, produce an extract of the information maintained in the Register.
- 7.10. In addition to the certificates required to be issued under the Regulations, the Registration and Licensing Department may issue any other certificate it considers necessary.
- 7.11. The Registration and Licensing Department shall issue a share certificate for every Company, which shall clearly state:
- (a) the number and nominal value of Shares;
 - (b) details of the Shareholder; and
 - (c) date of issuance.



PART 3 – FREE ZONE ENTITIES

8. FREE ZONE ENTITIES

- 8.1. No Company shall be registered without the consent of the Registration and Licensing Department which, subject to these Regulations, shall be granted by the Registration and Licensing Department in their absolute discretion.
- 8.2. The Registration and Licensing Department shall permit the following types of entities to be registered in the Free Zone:
 - (a) Company;
 - (b) Branch; and
 - (c) Sole Establishment.
- 8.3. A Non-Dubai South Company will be recognised as a Company under these Regulations upon its transfer to the Free Zone in accordance with Regulation 77.
- 8.4. An entity cannot conduct business in or from the Free Zone without a valid License.

9. RESTRICTIONS ON COMMENCEMENT OF BUSINESS

- 9.1. An entity may only conduct the activities that are permitted under its License.
- 9.2. No Person shall attempt to conduct business in the Free Zone unless and until such person has been duly permitted to do so by the Registration and Licensing Department. Approval of the Registration and Licensing Department shall be evidenced upon the issuance of License.

PART 4 – COMPANY

10. STATUS OF A COMPANY

- 10.1. A Company has a legal personality distinct from its Shareholder and has limited liability.
- 10.2. A Company must have a minimum of one (1) and a maximum of fifty (50) Shareholders subject to the approval of Registration and Licensing Department.
- 10.3. The liability of a Shareholder towards the Company, with respect to its shareholding, is limited to the Share Capital paid by the Shareholder in the Company plus the amount, if any, that remains unpaid on the Shares held by that Shareholder. However, this does not preclude the Shareholder from fraud, or any other wrongful acts committed by the Shareholder or on their behalf in relation to the Company or as stipulated under any UAE laws.
- 10.4. A Company may conduct any lawful business subject to the terms of its License.
- 10.5. A Company must obtain a License to operate in the Free Zone. A License is valid for conducting business operations in or from the Free Zone.

11. INCORPORATION OF A COMPANY

- 11.1. An application for incorporation of a Company shall be made to the Registration and Licensing Department in such form and manner as required from time to time.
- 11.2. Persons may apply to the Registration and Licensing Department for incorporation by filing an application for incorporation in the prescribed form containing the following:
 - (a) name, nationality, and service address of each Shareholder, Director, Manager and Secretary;
 - (b) proposed name of the Company;
 - (c) amount of the Share Capital denominated in AED;
 - (d) details of any classes of Shares, if any;
 - (e) proposed License activities to be carried on by the Company;
 - (f) Lease details; and
 - (g) a draft of the Articles for the approval of the Registration and Licensing Department;



- (h) where the Shareholder is a corporate entity, the following corporate documents of the Shareholder shall be provided (in such form as may be prescribed by the Registration and Licensing Department):
- (i) a resolution evidencing the intention to incorporate a Company in the Free Zone;
 - (ii) its certificate of incorporation (or equivalent);
 - (iii) its memorandum and articles of association;
 - (iv) its commercial register or certificate of incumbency (or equivalent document showing the details of the Company, Directors and signatories); and
 - (v) details of the UBO.
 - (i) any other documents specified by the Registration and Licensing Department in connection with activities to be carried on by the Company.
- 11.3. The application for registration of a Company filed with the Registration and Licensing Department must be accompanied by payment of the relevant fee, as specified by the Registration and Licensing Department in the Tariff.
- 11.4. Once a proposed application for the incorporation of a Company has been initially approved by the Registration and Licensing Department, the Company shall arrange and reserve the Registered Office on terms and conditions acceptable to the Registration and Licensing Department.
- 11.5. On approval of the application and confirmation of the lease of premises for the Registered Office of the Company, the Registration and Licensing Department may issue the following documents in relation to the Company:
- (a) License;
 - (b) a certificate of incorporation;
 - (c) Share certificate; and
 - (d) registered Articles.
- 11.6. A Company will be incorporated on the date specified on the certificate of incorporation issued by the Registration and Licensing Department.
- 11.7. The Registration and Licensing Department may refuse to grant its consent for the registration of a Company or any aspects of the registration application, and where it does so refuse, it shall not be bound to provide any reason for its refusal or amendments to the application.
- 11.8. No defect in the formalities leading up to the incorporation of a Company shall affect the validity of its incorporation and the certificate of incorporation shall be conclusive evidence of the incorporation of the Company and the date of its incorporation.

12. NAME OF COMPANY

- 12.1. The name of a Company must be approved by the Registration and Licensing Department, which has absolute discretion in relation to its approval.
- 12.2. No Company shall be registered with a name which in the opinion of the Registration and Licensing Department is undesirable.
- 12.3. The name must not:
- (a) make any reference to “Dubai”, “United Arab Emirates”, “UAE” or any abbreviation or acronym (such as DXB) and cannot be misleading or contain words that may suggest a relationship with the Corporation, the government of Dubai, or generally any regulatory authority in the UAE;
 - (b) resemble the name of a Free Zone entity already registered in the Free Zone or any other jurisdiction in the UAE;
 - (c) infringe the intellectual property rights of a third party;
 - (d) be contrary to public policy, the culture or laws of Dubai or the UAE;



- (e) contain the word 'bank', 'insurance' or 'trust' or words that may suggest that it is a bank, an insurance company or trust company, or words which may suggest in some other way that it is authorized to carry out financial services within the Free Zone;
- (f) suggest a connection with, or the patronage of, any prominent person or organization, unless the prominent person or organization consents in writing and the same is provided to the Registration and Licensing Department;
- (g) be deemed offensive, misleading, or deceptive; or
- (h) for any other reason be deemed unacceptable to the Registration and Licensing Department.

12.4. The name of a Company incorporated in the Free Zone must be immediately followed by the abbreviation "DWC-LLC".

12.5. A Company may change its name upon an application to the Registration and Licensing Department, upon submission of the following:

- (a) a Special Resolution, or by a resolution passed by such greater percentage of Shareholders with voting rights as prescribed in the Articles;
- (b) Publication of the notice of change of name of a Company for a period of fourteen (14) days in the manner prescribed by the Registration and Licensing Department from time to time;
- (c) payment of applicable fees as set out in the Tariff; and
- (d) any other information or documents as may be requested by the Registration and Licensing Department.

12.6. The Registration and Licensing Department may direct a Company to change its name, if considered necessary or required, within the time prescribed by the Registration and Licensing Department.

12.7. The change of name of a Company comes into effect when the application for change of name of a Company is approved and updated by the Registration and Licensing Department in the Register, and evidenced by issuance of the following documents:

- (a) a certificate of change of name by the Registration and Licensing Department; and
- (b) revised License of the Company.

12.8. Change of name of a Company under these Regulations does not affect:

- (a) any rights, liabilities, or obligations of the Company; or
- (b) any legal proceedings by or against the Company or any legal proceedings that might have been continued or commenced against the Company under its former name. Such proceedings may be continued or commenced against it in its new name.

12.9. The Company that has changed its name shall be required to update all the company documents, website, stationary and any other materials that display the former name of the Company.

13. ARTICLES OF ASSOCIATION

13.1. A Company must have Articles. The Articles will come into effect on the date of the certificate of incorporation and may be amended by a Special Resolution of the Shareholders of the Company from time to time.

13.2. Subject to these Regulations, a Company is governed by its Articles. The Articles bind the Company and its Shareholder. In the event of any inconsistencies between these Regulations and provisions of the Articles, these Regulations shall prevail to the extent of inconsistencies.

13.3. The Articles shall be in English.

13.4. The Registration and Licensing Department shall prescribe model Articles to be known as the Standard Articles and a Company shall adopt such Standard Articles.

13.5. A Company must, on written request from a Shareholder, send to that Shareholder a copy of the Articles.



14. AMENDMENT TO THE ARTICLES

- 14.1. Shareholders may amend the Articles by filing an application in a form prescribed by the Registration and Licensing Department from time to time, along with:
- (a) a Special Resolution, or by a resolution passed by such greater percentage of Shareholders with voting rights as prescribed in the Articles unless specified otherwise by the Registration and Licensing Department;
 - (b) a copy of the draft proposed amendments to the Articles;
 - (c) payment of the applicable fees as set out in the Tariff; and
 - (d) such other information, documents as may be requested by the Registration and Licensing Department.
- 14.2. An amendment or restatement to the Articles is subject to the review and approval of the Registration and Licensing Department and takes effect on date of its registration and issuance of revised Articles.
- 14.3. A Company must not alter its Articles except in the manner as provided for in these Regulations.

15. EFFECT OF THE ARTICLES

- 15.1. Subject to these Regulations, the Articles registered with the Registration and Licensing Department legally bind the Company and its Shareholders to the same extent as if:
- (a) the Articles had been signed by each Shareholder; and
 - (b) the Articles contained an agreement on the part of the Company and each Shareholder to observe all the provisions of the Articles.

16. REGISTERS TO BE MAINTAINED BY COMPANY

- 16.1. A Company must maintain and update:
- (a) a Shareholder Register;
 - (b) an UBO Register; and
 - (c) an Officer Register
- in a legible form capable of being reproduced within a reasonable time upon the request of the Registration and Licensing Department.
- 16.2. A Company must maintain and update an accurate Shareholder Register containing:
- (a) where the Shareholder is a natural person, the full name, service address, nationality, passport number and place of birth of each Shareholder;
 - (b) where the Shareholder is a body corporate, the name, legal form, service address, registration number and country of registration of the Shareholder;
 - (c) date of becoming a Shareholder;
 - (d) the number, value, class, and percentage of Shares held by that Shareholder;
 - (e) date of becoming a Shareholder;
 - (f) date of cessation of a Shareholder; and
 - (g) particulars of share transfer.
- 16.3. A Company may maintain its Shareholder Register in the form of an Electronic Document or as a physical copy.
- 16.4. A Company must supply the contents of the Shareholder Register to the Registration and Licensing Department upon request.



- 16.5. A Company must maintain and update an Officer Register with the following particulars of the Officer:
- (a) full name;
 - (b) designation;
 - (c) date and place of birth;
 - (d) nationality;
 - (e) service address;
 - (f) date of appointment; and
 - (g) date of cessation (if applicable).
- 16.6. A Company must maintain and update an UBO Register with the following particulars of UBO:
- (a) full name;
 - (b) date and place of birth;
 - (c) nationality;
 - (d) service address;
 - (e) date of becoming an UBO; and
 - (f) date of cessation (if applicable).
- In case the UBO is a publicly listed entity, the register shall contain the full name, place of incorporation, registration number, service address and details of the exchange where it is listed.
- 16.7. A Company must ensure that the information contained in its Shareholder Register, UBO Register, Officer Register and Security Register is accurate, complete and up-to-date at all times.
- 16.8. If a Company fails to provide or maintain accurate information in any of these registers, it may be liable to a fine as may be prescribed by the Registration and Licensing Department as prescribed under the UBO Regulations. The Registration and Licensing Department may also take any other action or impose any other sanction as it deems appropriate.

PART 5 – BRANCH

17. STATUS OF BRANCH

- 17.1. A Branch does not have a legal personality distinct from that of its Branch Parent. A Branch does not have a Shareholder such as in the case of a Company.
- 17.2. The Branch Parent which has registered the Branch shall be responsible for all liabilities of its Branch. Any contracts entered by a Branch shall be deemed to have been entered into by its Branch Parent.
- 17.3. A Branch Parent must obtain a License for its Branch to operate in the Free Zone. A License is valid for business operations in or from the Free Zone. A Branch may operate in a jurisdiction other than the Free Zone subject to the laws of such jurisdiction.

18. REGISTRATION OF A BRANCH

- 18.1. An application for registration of a Branch shall be made to the Registration and Licensing Department in such form and manner as prescribed from time to time.
- 18.2. The Branch Parent proposing to register a Branch may apply to the Registration and Licensing Department for the registration of the Branch by filing an application in the prescribed form containing the following:
- (a) that the application for the registration of a Branch;
 - (b) submission of the following corporate documents of the Branch Parent (in such form as may be prescribed by the Registration and Licensing Department):
 - (i) a resolution of the shareholders evidencing the intention to register a Branch in the Free Zone;



- (ii) its certificate of incorporation (or equivalent);
 - (iii) its memorandum and articles of association;
 - (iv) commercial register or certificate of incumbency (or equivalent document showing the details of the Branch Parent, Directors and signatories); and
 - (v) details of the UBO.
 - (c) the proposed License activities to be carried on by the Branch (which shall be the same or similar to that of the Branch Parent);
 - (d) the type and size of premises required for the proposed License activities;
 - (e) name, nationality and service address of the Manager; and
 - (f) any other document or information required by the Registration and Licensing Department.
- 18.3. The application for registration of a Branch filed with the Registration and Licensing Department must be accompanied by payment of the relevant fee, as specified by the Registration and Licensing Department in the Tariff.
- 18.4. Once an application of a proposed registration of a Branch has been initially approved by the Registration and Licensing Department, the Branch Parent must lease premises for the Branch within the Free Zone on terms and conditions acceptable to the Registration and Licensing Department.
- 18.5. On approval of the application and confirmation of the lease of premises, the Registration and Licensing Department shall issue a License.
- 18.6. A Branch will be registered on the date of entry into the Branches Register.
- 18.7. No Branch may be registered without the approval of the Registration and Licensing Department.

19. NAME OF BRANCH

- 19.1. The name of a Branch shall be the name of the Branch Parent immediately followed by the suffix "DWC-Branch".
- 19.2. The name of a Branch must follow the naming policy as prescribed in Regulation 12.3 and must be approved by the Registration and Licensing Department.
- 19.3. In case of change of Branch Parent or the name of Branch Parent, the Branch Parent may file an application for change of name of the Branch.
- 19.4. A Branch may change its name upon an application to the Registration and Licensing Department, along with the following:
- (a) The Branch Parent change of name certificate;
 - (b) a resolution passed by its Branch Parent;
 - (c) Publication of the notice of change of name of a Branch for a period of fourteen (14) days in the manner prescribed by the Registration and Licensing Department from time to time; with any other information or documents as may be requested by the Registration and Licensing Department; and
 - (d) payment of the applicable fees as set out in the Tariff.
- 19.5. The change of name of a Branch comes into effect when it is approved and updated by the Registration and Licensing Department in the Register and evidenced by the issuance of the revised License of the Branch.
- 19.6. Change of name of a Branch under these Regulations does not affect:
- (a) any rights, liabilities, or obligations of the Branch; and
 - (b) any legal proceedings by or against the Branch that might have been continued or commenced against the Branch under its former name. Such proceedings may be continued or commenced against it in its new name.



20. REGISTERS TO BE MAINTAINED BY BRANCH

- 20.1. A Branch must maintain and update the following registers in a legible form capable of being reproduced within a reasonable time upon the request of the Registration and Licensing Department:
- (a) a Branch Parent Register;
 - (b) an UBO Register; and
 - (c) an Officer Register.
- 20.2. A Branch must maintain and update an accurate Branch Parent Register containing:
- (a) the name, legal form, registered address, registration number and country of registration of the Branch Parent;
 - (b) date of becoming a Branch Parent; and
 - (c) date of cessation of a Branch Parent (if applicable in case of sale of a branch).
- 20.3. A Branch may maintain its Branch Parent Register in the form of an Electronic Document or a hard copy.
- 20.4. A Branch must supply the contents of the Branch Parent Register to the Registration and Licensing Department upon request.
- 20.5. A Branch must also maintain and update the UBO Register and Officer Register which must contain particulars as set out in Regulation 16.5 and 16.6 respectively.

21. RECORDS KEPT BY BRANCH

- 21.1. Every Branch shall keep at the Registered Office records of its acts and financial affairs that adequately reflect the trade or business it is engaging in carrying on or has engaged in or carried on in the Free Zone.
- 21.2. The Registration and Licensing Department shall have the power to appoint an inspector to investigate the activities and records of the Branch. The inspector may request any documents or information necessary for the inspection. The Branch must comply with the inspector's requests and provide the requested documents or information within a reasonable time.

22. ACCOUNTS OF BRANCH

- 22.1. Each Branch must submit a copy of the consolidated audited accounts with its Branch Parent to the Registration and Licensing Department at least once every twelve (12) month period or more frequently upon the request of the Registration and Licensing Department.

PART 6 – SOLE ESTABLISHMENT

23. STATUS OF SOLE ESTABLISHMENT

- 23.1. A Sole Establishment shall have a single owner who shall be a natural person with full control and decision-making authority over the business.
- 23.2. A Sole Establishment shall have unlimited liability and shall not have a legal personality distinct from its natural owner.
- 23.3. A Sole Establishment may only provide professional services subject to the terms of its License.
- 23.4. The owner of the Sole Establishment shall be personally entitled to all the profits and shall also be responsible for all debts in respect of the business.



24. LICENSE FOR SOLE ESTABLISHMENT

- 24.1. An application for registration of a Sole Establishment shall be made in such form and manner as may be prescribed by the Registration and Licensing Department.
- 24.2. An individual proposing to conduct freelancing activities may apply to the Registration and Licensing Department for a License by filing an application in the prescribed form containing the following details of the individual:
- (a) name, nationality and service address of the natural person;
 - (b) copy of passport;
 - (c) copy of UAE visa and UAE national identification (if applicable);
 - (d) passport photo;
 - (e) curriculum vitae;
 - (f) contact information;
 - (g) no objection certificate from current sponsor (if applicable);
 - (h) License activities to be carried on by the individual; and
 - (i) any other document or information required by the Registration and Licensing Department.
- 24.3. The application for a Sole Establishment License filed with the Registration and Licensing Department must be accompanied by payment of the relevant fee, as specified by the Registration and Licensing Department in the Tariff.
- 24.4. A Sole Establishment can but is not required to have a lease in the Free Zone.
- 24.5. A Sole Establishment will be registered on the date of issuance of its License.

25. NAME OF SOLE ESTABLISHMENT

- 25.1. The Sole Establishment will only contain the name of the natural person to whom the License is issued immediately followed by the abbreviation "DWC-S.E.".

PART 7 – CAPITAL AND SHARES OF THE COMPANY

26. SHAREHOLDER AND CAPITAL

- 26.1. A person becomes a holder of a Share of a Company upon the person's:
- (a) acceptance to become a Shareholder;
 - (b) acquisition of a Share in the Company; and
 - (c) name being entered in the Shareholder Register of the Company.
- 26.2. A Company must have a minimum Share Capital of three hundred thousand United Arab Emirate dirhams (AED 300,000) with a par value of one United Arab Emirate dirham (AED 1.00) each.
- 26.3. A Company may not create or issue Shares denominated in a currency other than AED.

27. NATURE OF SHARES

- 27.1. Each Share in a Company must have a fixed nominal value of AED 1.00. A Share may not be allotted by a Company for less than its nominal value.
- 27.2. An Allotment of a Share that does not have a fixed nominal value, or is allotted for less than its nominal value, is void.
- 27.3. A Company may not issue bearer Shares. Any Shares issued by a Company which purports to be bearer Shares shall be void.
- 27.4. A Company may not issue fractional Shares.



- 27.5. Subject to the rights attached to different classes of Shares, as prescribed in the Articles, a Share shall:
- (a) carry the right to vote at a General Meeting of the Company;
 - (b) represent a proportionate interest in the ownership of a Company; and
 - (c) rank in all respects equally with other Shares, and where there are different classes of Shares, then Shares in a class rank equal in all respects with other Shares in that class.
- 27.6. The Shares or other interests of a Shareholder of a Company are transferable in the manner provided subject to these Regulations and the provisions of the Articles.

28. CLASSES OF SHARES

- 28.1. A Company may issue different types or classes of Shares, subject to the following conditions:
- (a) The Company shall have at least one (1) class of ordinary Shares, which shall have equal rights and obligations in all respects.
 - (b) The total issued share capital of the ordinary class of Shares shall not at any time be less than three hundred thousand United Arab Emirate dirhams (AED 300,000) and the nominal value of each ordinary Share shall be one United Arab Emirate dirham (AED 1.00) each.
 - (c) The Company may issue an additional class of Shares with different rights and preferences, provided that the total issued Share Capital of the Company does not fall below three hundred thousand United Arab Emirate dirhams (AED 300,000).
 - (d) The rights and obligations of any other class of Shares shall be stipulated in the Articles and shall not prejudice the rights of the ordinary Shareholders.
- 28.2. Shares are of one (1) class if the rights attached to them are the same in all respects.

29. PURCHASE OF OWN SHARES

- 29.1. A Company may purchase its own Shares that will be held as Treasury Shares, subject to the provisions of its Articles and the requirements of the Registration and Licensing Department.
- 29.2. A Company may purchase its own Shares if such purchase and its terms are approved in advance by a Special Resolution.
- 29.3. Subject to any restriction or prohibition in its Articles, a Company may only purchase its own Shares from the following sources:
- (a) out of distributable profits; or
 - (b) from the proceeds of the fresh issue of Shares.
- 29.4. A Company may not purchase its own Shares if, as a result of the purchase, there would no longer be a Shareholder of the Company holding Shares.
- 29.5. An application to the Registration and Licensing Department for the purchase of own Shares shall include the following:
- (a) Special Resolution;
 - (b) number of Shares to be purchased;
 - (c) name of Shareholders from whom the Shares shall be purchased;
 - (d) confirmation of continuing Shareholders other than the Company;
 - (e) draft of the amendment to the Articles reflecting the updated Share information;
 - (f) Company accounts demonstrating sufficient net profits or surplus;
 - (g) payment of applicable fees as set out in the Tariff; and
 - (h) any other information or documents as requested by the Registration and Licensing Department.



30. TREASURY SHARES

- 30.1. A Company may issue Treasury Shares which can be purchased and held by the Company ("Treasury Shares").
- 30.2. If a Company holds Treasury Shares, the Company must be entered in the Shareholders Register as a holder of those Treasury Shares.
- 30.3. A Company must not exercise any right in respect of Treasury Shares held by it including any right to attend or vote at meetings. Any exercise of such a right is void.
- 30.4. No dividend shall be paid or other distributions made (whether in cash or otherwise) in respect of Treasury Shares.
- 30.5. The Company may, at any time, sell, transfer (for the purposes of employees' share scheme) or cancel Treasury Shares.
- 30.6. The Company may cancel Treasury Shares at any time. In which case, the amount of the Company's Share Capital will be reduced by the nominal value of the cancelled Shares and shall follow the procedures prescribed under Regulation 36 in respect of capital reduction.

31. AMENDMENT TO SHARE CLASS

- 31.1. The Registration and Licensing Department may, on application by a Company, consent to a Company dividing its Share Capital into different classes of Shares or to a Company issuing new Shares of a different class to its existing Share Capital. The consent of the Registration and Licensing Department may be provided at its absolute discretion and the Registration and Licensing Department shall not be bound to provide any reason for its refusal.
- 31.2. A Company may reclassify its Shares, by filing an application to the Registration and Licensing Department in the prescribed form with the following:
 - (a) a Special Resolution;
 - (b) draft of the amended Articles to reflect the new class of Shares along with their rights and the names of subscribers that are issued such class of Shares;
 - (c) payment of applicable fees as set out in the Tariff; and
 - (d) any other documents or information as may be required by the Registration and Licensing Department.
- 31.3. Upon approval of the Registration and Licensing Department, the Company must update its Shareholder Register with the revised Share information.
- 31.4. The re-classification of Shares shall be effective from the date the Registration and Licensing Department records and updates the Register and issues the registered Articles.

32. VARIATION IN THE RIGHTS OF SHARES

- 32.1. Rights attached to a class of Shares (other than ordinary shares) may be varied or abrogated by an amendment to the Articles, approved by:
 - (a) a Special Resolution or by a resolution passed by such greater percentage of Shareholders with voting rights as may be prescribed in the Articles; or
 - (b) a resolution passed by all the Shareholders holding Shares of the class whose rights are being varied or abrogated.
- 32.2. Where a resolution to vary or abrogate the rights attached to a class of Shares is passed in accordance with Regulation 32.1(a), Shareholders representing not less than five per cent (5%) of total Shares of such class, being Shareholders who did not resolve in favour of the variation or abrogation of the rights attached to such class of Shares, may within thirty (30) days of the resolution being passed in accordance with Regulation 32.1(a), apply to the court of competent jurisdiction to have the variation or abrogation cancelled.



- (a) Where an application is made to such court, the variation will have no effect until the ruling of the court. The court may disallow the variation or abrogation of the rights attached to a class of Shares, confirm or pronounce such other remedy as it may consider appropriate.
- (b) The Shareholder who applies to the court to have the variation abrogated or cancelled in accordance with Regulation 32.2 must notify the Registration and Licensing Department in writing of such application within ten (10) days of such application having been made to the court.

33. NON-CASH CONSIDERATION FOR SHARES

- 33.1. A Company may issue Shares for consideration other than cash by Special Resolution or by a resolution passed by a greater percentage of Shareholders with voting rights as may be prescribed in the Articles.
- 33.2. For the purposes of Regulation 33.1, where the value of consideration for Shares is other than cash, this must be confirmed by an auditor. The auditor must be appointed from a list of approved auditors maintained by the Registration and Licensing Department. The Company may not appoint an auditor who:
 - (a) has, or may reasonably be perceived to have, a conflict of interest;
 - (b) is not independent of the affairs of the Company; or
 - (c) is connected in any way with the Company.
- 33.3. The auditor must be provided with all documents, Records, information and explanations as necessary from the Company or Shareholder for purposes of Regulation 33.1. A person who knowingly or recklessly makes a statement that is misleading, false or deceptive in a material way is liable to a fine, as may be determined by the Free Zone from time to time.
- 33.4. The Allotment of Shares must be filed within six (6) months from the date of confirmation by the auditor. The number of Shares issued must be equal to the value of non-consideration to be provided.
- 33.5. The issuance of Shares for non-cash consideration will come into effect from the date the Allotment is approved and reflected by the Registration and Licensing Department in the Register.
- 33.6. This Regulation 33.1 does not apply to:
 - (a) the Allotment of Shares in a Company on the conversion of any convertible Securities;
 - (b) the exercise of an option to acquire Shares in the Company;
 - (c) the Allotment of Shares that are fully Paid-Up from the reserves of a Company to all Shareholders in proportion to the number of Shares held by each Shareholder; and
 - (d) the consolidation and division, or subdivision, of Shares, or any type or class of Shares, in the Company in proportion to those Shares or the Shares in that type or class.

34. ALTERATION OF SHARE CAPITAL

- 34.1. A Company may, by Special Resolution, do any of the following:
 - (a) increase its Share Capital by creating new Shares of an existing class with the same nominal value; or
 - (b) decrease the number of Shares by cancellation of those Shares; or
 - (c) Subject to Regulation 28, re-classify its Share Capital.



35. INCREASE OF SHARE CAPITAL

- 35.1. A Company may increase its Share Capital subject to its Articles.
- 35.2. A Company shall file with the Registration and Licensing Department a notice of Allotment of Shares using the applicable form prescribed by the Registration and Licensing Department for any subsequent Allotment of Shares after the initial Allotment accompanied by:
- (a) Special Resolution or by a resolution passed by such greater percentage of Shareholders with voting rights as prescribed in the Articles;
 - (b) draft of the amendment to the Articles reflecting the capital increase and Allotment;
 - (c) payment of applicable fees as set out in the Tariff; and
 - (d) any other documents or information as may be required by the Registration and Licensing Department.
- 35.3. The resolution for the increase in Share Capital and Allotment of Shares must be filed with the Registration and Licensing Department. Such capital increase and Allotment will come into effect once the Registration and Licensing Department approves the capital increase and Allotment and reflects the same in the Register and issues revised Articles.

36. DECREASE OF SHARE CAPITAL

- 36.1. A Company may, if authorised by a Special Resolution or by a resolution passed by such greater percentage of Shareholders with voting rights as may be prescribed in the Articles, decrease its Share Capital by reducing and cancelling Share(s) provided the Share Capital does not fall below three hundred thousand United Arab Emirate dirhams (AED 300,000).
- 36.2. A Company may reduce its Share Capital by cancelling any Paid Up Share Capital.
- 36.3. A Company may not reduce its Share Capital unless:
- (a) within fifteen (15) days of passing such resolution, it publishes a notice in the form prescribed and approved by the Registration and Licensing Department from time to time stating:
 - (i) details of the Company;
 - (ii) the amount of the Share Capital prior to the reduction;
 - (iii) the manner in which the reduction shall take place;
 - (iv) auditor confirmation letter;
 - (v) the amount of the Share Capital after reduction; and
 - (vi) the name and contact details of the relevant individual in case of any grievance.
 - (b) the Directors shall issue a certificate undertaking that:
 - (i) on the date of Share Capital reduction, the Company is solvent; and
 - (ii) immediately following the decrease in the amount of the Share Capital, the Company will be able to pay its liabilities as they fall due in the ordinary course of business.
- 36.4. If thirty (30) days after a certificate is issued in accordance with Regulation 36.3(b):
- (a) a Creditor who did not consent to the Share Capital reduction has a valid debt or claim against a Company; and
 - (b) the Company is unable to pay that Creditor as a result of the Share Capital reduction, every person who was a Shareholder of the Company at the date of the certificate is then liable to contribute to the payment of the debt or claim in question to the extent the Share Capital was not Paid-Up.



- 36.5. If a Company reduces its Share Capital, the Company must file with the Registration and Licensing Department the following documents within thirty (30) days of passing the Special Resolution:
- (a) Special Resolution passed by the Company as referred to in Regulation 36.1.
 - (b) a copy of the notice of publication referred to in Regulation 36.3(a);
 - (c) certificate issued by the Directors as stipulated in Regulation 36.3(b);
 - (d) draft of the amendment to the Articles reflecting the capital reduction;
 - (e) payment of applicable fees as set out in the Tariff; and
 - (f) any other documents or information as may be required by the Registration and Licensing Department.
- 36.6. The decrease in the Share Capital of a Company will come into effect on the date the Registration and Licensing Department records the decrease in the Share Capital in the Register and issues revised Articles.

37. SHARE TRANSFER

- 37.1. Notwithstanding the provisions of the Articles, the transfer of Shares of any Shareholder in a Company must take place through an instrument of transfer signed by or on behalf of the transferee and transferor in accordance with the guidelines issued by the Registration and Licensing Department.
- 37.2. Unless provided for in a binding shareholders agreement or the Articles, a Shareholder shall not have any pre-emption rights.
- 37.3. This Regulation 37 does not prevent the Registration and Licensing Department from registering a person as a Shareholder where such person has been granted a right to Shares in the Company by operation of law. Any such person may be registered as a Shareholder upon such evidence being produced as may reasonably be required by the Registration and Licensing Department.
- 37.4. Subject to Regulation 37.3, an application by any such person to be registered as a Shareholder for all purposes shall be deemed to be a transfer of Shares to the Shareholder and the Registration and Licensing Department shall treat it as such.
- 37.5. An application for the transfer of Shares shall be submitted to the Registration and Licensing Department along with the following:
- (a) a resolution from the buyer and seller (or a court order confirming the transfer);
 - (b) a resolution from the continuing Shareholders of the Company agreeing to the transfer of Shares.
 - (c) the class, number and nominal value of the Shares being transferred;
 - (d) information and documents of the buyer as prescribed by the Registration and Licensing Department;
 - (e) UBO information of the buyer;
 - (f) payment of applicable fees as set out in the Tariff; and
 - (g) such other information or documents as may be requested by the Registration and Licensing Department.
- 37.6. A trustee of a deceased Shareholder shall be treated as a Shareholder for the purposes of executing any Share transfer instrument in respect of such Shareholder's Shares or interest.
- 37.7. Transfer of Shares of a Company will come into effect on the date the Registration and Licensing Department records the Share transfer in the Register and issues the revised Articles.
- 37.8. If the Registration and Licensing Department refuses to register a transfer of Shares, the Registration and Licensing Department must provide the transferor and transferee a notice stating that the transfer of Shares has been rejected along with the reasons for such rejection within a reasonable time of submission of such application to the Registration and Licensing Department.



38. DIVIDEND AND OTHER DISTRIBUTIONS

- 38.1. A Company may by a resolution of the Directors declare a dividend or recommend a dividend for Distribution to the Shareholders which shall set out:
- (a) amount of the dividend or distribution, and the class of Shares to which it will be applicable;
 - (b) method of payment (cash or otherwise); and
 - (c) date of payment.
- 38.2. Where a dividend is declared or a Distribution is made, or the declaration of a dividend or making of a Distribution is recommended to the Shareholders, the Directors must be able to certify that:
- (a) any distribution is being made out of profits available for that purpose; and
 - (b) immediately after a dividend is paid or a Distribution is made, the Company should, on reasonable grounds, be able to pay its debts as they become due in the normal course of business.
- 38.3. The Shareholders shall then approve the Distribution by an Ordinary Resolution, payable in cash or otherwise, out of the accumulated and realised profits available, after deducting the accumulated and realised losses of a Company, provided that:
- (a) after the dividend is declared, the amount of the Net Assets of the Company is not less than the aggregate of its Share Capital; and
 - (b) that the Distribution does not reduce the amount of those assets to less than that aggregate.
- 38.4. No dividend shall be paid, and no distribution made in respect of Treasury Shares of the Company.
- 38.5. Any dividend or Distribution declared by the Shareholders in accordance with Regulation 38.1 may not exceed the amount of such dividend or Distribution recommended by the Directors.
- 38.6. In this Regulation 38:
- (a) "Distribution" means the distribution of assets of a Company to its Shareholders, including dividends, whether in cash or otherwise, except distribution by way or out of:
 - (i) an issue of bonus Shares;
 - (ii) Share Capital;
 - (iii) unrealised profits;
 - (iv) reduction of Share Capital;
 - (v) extinguishing or reducing the liability of any of the Shareholders on the Shares; or
 - (vi) distribution of assets to Shareholders of a Company on its winding up.
 - (b) "Net Assets" means the aggregate of the Company's assets less the aggregate of its liabilities.
- 38.7. A Company which makes a Distribution in contravention of this Regulation 38 is liable to a fine, to be determined by Free Zone under the Violations Code.
- 38.8. Whether a Distribution made by a Company is in compliance with these Regulations must be determined by reference to the accounts of the Company as prepared and maintained in accordance with Regulations 68 and 74.

39. UNLAWFUL DISTRIBUTION

- 39.1. A Shareholder must return any Distribution or part of a Distribution received from a Company if the Distribution has been made in contravention of Regulation 45 and, if, at the time of the Distribution the Shareholder knows or has reasonable grounds for believing that it is so made, the Shareholder is liable to repay it, or that part of it, to the Company.
- 39.2. Where the Distribution received is in a form other than cash, the Shareholder must pay to the Company an amount equal to the value of the Distribution.



PART 8 – SHAREHOLDERS MEETINGS

40. ANNUAL GENERAL MEETINGS

- 40.1. Unless a shorter duration is provided in the Articles, a Company must hold a General Meeting as its annual General Meeting within eighteen (18) months from the date of its incorporation and once every twelve (12) months thereafter.
- 40.2. A meeting of the Shareholders other than the annual General Meeting will be referred to as an ordinary General Meeting.

41. REQUEST OF MEETINGS

- 41.1. A Director may, whenever they think fit, request the Shareholders to convene a General Meeting.
- 41.2. An Officer must, as soon as practicable and in any event not later than seven (7) days from the date of request of one (1) or more Shareholders holding at least ten per cent (10%) of the Share Capital of the Company (or voting rights for the relevant type or class of Shares), issue a notice for:
 - (a) an ordinary General Meeting; or
 - (b) a meeting of Shareholders of the relevant type or class of Shares,in accordance with Regulation 41.
- 41.3. A Shareholder's request should state the purpose of the meeting and be signed by each Shareholder requisitioning the meeting and be deposited at the Registered Office of the Company.
- 41.4. Shareholders' requests may be signed in any number of documents which are in similar form each signed by or on behalf of one or more of such Shareholders.
- 41.5. If an Officer does not, within seven (7) days from the date of the deposit of such request, issue a notice for the General Meeting or a notice for a meeting of a class of Shareholders as the case may be, the Shareholder who had made the request may call the relevant meeting.
- 41.6. The Directors may, at any time, call an ordinary General Meeting, or a meeting of a class of Shareholders, to consider a matter that the Directors determine requires consideration of the Shareholders.
- 41.7. In all cases, a meeting in accordance with Regulation 41, must be convened within thirty (30) days from the date of the Shareholders' request for a meeting.

42. POWER TO CALL MEETINGS

- 42.1. The Registration and Licensing Department may, due to a default of Regulation 41 or otherwise, call, or direct any Officer to call, a General Meeting or a meeting of that class of Shareholders.
- 42.2. The Company must, unless with reasonable explanation notified to the Registration and Licensing Department, comply with the direction of the Registration and Licensing Department made under Regulation 42.1. A Company which fails to comply with this requirement is liable to a fine, as set out under the Violations Code.

43. NOTICE OF MEETINGS

- 43.1. An annual General Meeting of a Company shall be called by at least twenty-one (21) days' notice in writing. An ordinary General Meeting or a meeting of Shareholders of the relevant type or class of Shares shall be called by at least fourteen (14) days' notice in writing.
- 43.2. If a General Meeting is called by shorter notice than that specified in Regulation 43.1, it is deemed to have been duly called if it is so agreed by not less than ninety-five per cent (95%) of Shareholders having a right to attend and vote at the General Meeting.



43.3. A notice of a General Meeting should:

- (a) specify the time, place and date of the meeting;
- (b) provide the agenda or general nature of the business of the meeting;
- (c) state the intention to propose a resolution, if any;
- (d) state the right of Shareholders to ask questions at the meeting relating to the business being dealt; and
- (e) permit a Shareholder to appoint a proxy who may attend and vote on behalf of the appointing Shareholder and state the process to appoint such a proxy in accordance with Regulation 49.

43.4. The notice may be sent by hand or an Electronic Document, in electronic form, as may be agreed by the Shareholders prior to the date of the meeting.

44. REPRESENTATION OF CORPORATE ENTITY AT MEETINGS

44.1. A Shareholder, who is a corporate entity, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of a Company. In doing so, such representative will be treated as having the authority to exercise all the rights of the Shareholder.

45. GENERAL PROVISIONS AS TO MEETINGS AND VOTES

45.1. Unless the Articles provide otherwise, the following provisions are applicable to any General Meeting:

- (a) a notice of every meeting must be given to each Shareholder entitled to receive by delivering or posting it to such Shareholder's registered address or by an Electronic Document subject to Regulation 43.4;
- (b) at a General Meeting (other than a meeting adjourned for lack of quorum), attendance by Shareholders in person (or represented by proxy) holding more than fifty per cent (50%) of the Share Capital of the Company having a right to attend and vote shall constitute a quorum;
- (c) at any General Meeting adjourned for lack of quorum, Shareholders holding at least fifty per cent (50%) of the Share Capital of the Company having a right to attend and vote present in person (or represented by proxy) will constitute a quorum, unless otherwise provided in the Articles;
- (d) any Shareholder elected by the Shareholders present at any such General Meeting may be chairman of such General Meeting;
- (e) at a meeting dealing with a variation of any class rights (other than an adjourned meeting), the quorum will be Shareholders present in person (or represented by proxy) holding at least fifty per cent (50%) in value of the total Shares of that class. At an adjourned meeting, Shareholders present (or represented by proxy) will constitute a quorum, unless otherwise provided in the Articles;
- (f) except for Shares that do not have the right to vote on a show of hands, every Shareholder present in person (or represented by proxy) at a General Meeting has one (1) vote and, on a poll, every Shareholder has one (1) vote for every Share held by that Shareholder; and
- (g) A Shareholder that is the holder of two (2) or more class of Shares may appoint more than one (1) proxy to represent him and vote on his behalf (whether on a show of hands or on a poll) provided that each proxy is appointed to exercise the rights attached to a different class of Shares held by that Shareholder in writing.

45.2. A Company must determine the right to vote at a General Meeting by reference to the Shareholder Register of the Company on that date for the holding of the General Meeting.



46. WRITTEN RESOLUTIONS

- 46.1. Subject to any restrictions in the Articles, anything that may be done by a resolution of a Company passed at a Shareholders' or a class of Shareholders' General Meeting may be done by a resolution in writing or as an Electronic Document signed by all Shareholders who have the right to vote in accordance with these Regulations.
- 46.2. A written resolution in accordance with Regulation 46.1 may be signed in counterparts by or on behalf of one (1) or more Shareholders. The resolution will be considered to be passed when the last Shareholder signs the resolution or the counterpart.
- 46.3. Any document attached to a written resolution under this Regulation 46 shall be deemed to have been laid before a meeting of the Shareholders signing the resolution.

47. RECORDING OF DECISIONS BY SOLE SHAREHOLDER

- 47.1. Where a Company has only one (1) Shareholder, the Shareholder may make any decision that can be made at a General Meeting by issuing a written resolution. The written resolution will have the same effect as a resolution passed at a General Meeting.

48. PARTICIPATION IN MEETINGS

- 48.1. A Shareholder may attend and participate in a meeting by attending physically, by phone or any other means of electronic communication provided that each Shareholder present at the meeting can hear what is said by any other Shareholder present at the meeting.
- 48.2. Similarly, a Director may attend and participate in a meeting of Directors by attending physically, by phone or by other means of electronic communication provided that each Director present at the meeting can hear what is said by any other Director present at the meeting.
- 48.3. The use of electronic means for the purpose of participating in a meeting may be made subject to ensuring the necessary identification of those taking part in the meeting and the security of the electronic communication.
- 48.4. A Company may request reasonable evidence of the entitlement and identification of a person who is not an individual Shareholder or a Director to participate in the meeting.

49. PROXY

- 49.1. A Shareholder entitled to attend and vote at a General Meeting or at a meeting of a class of Shareholders is entitled to appoint another person (whether a Shareholder or not) as a proxy to vote on behalf of the appointing Shareholder.
- 49.2. The notice of appointment of proxy under Regulation 49.1 must be submitted in writing to the Company no later than forty-eight (48) hours before any General Meeting.
- 49.3. A proxy appointed to attend a General Meeting instead of a Shareholder has the same rights as the Shareholder to:
 - (a) attend and speak at the meeting;
 - (b) vote at the meeting (subject to the rights attached to the Share class); and
 - (c) join in a demand for a poll.
- 49.4. The instrument of proxy should be in (or substantially similar to) the form prescribed by the Registration and Licensing Department from time to time.
- 49.5. The instrument of proxy in Regulation 49.4 may be sent as a physical document, or if the Company has agreed to receive it as an Electronic Document, in an agreed electronic form.



50. DEMAND FOR POLL

- 50.1. One or more Shareholders holding ten per cent (10%) or more voting rights in the Company may demand a poll at a General Meeting on an agenda item.
- 50.2. On a poll taken at a General Meeting, a Shareholder entitled to more than one (1) vote may vote once by indicating that it is casting all its votes in the same way but is not necessarily required to cast the same decision for all the votes.

51. MINUTES AND EXAMINATION OF MINUTE BOOK

- 51.1. A Company must keep minutes of meetings of General Meetings, meetings of any class of Shares, Directors, and committees of the Company, in books maintained for that purpose. The minutes must be signed by all the Shareholders (or their representatives) and be kept for at least ten (10) years from the date of the meeting by the Company. The minutes will serve as evidence of the meeting unless the contrary is proved.
- 51.2. Any such minutes shall be signed by the person presiding over the proceedings of the meeting.
- 51.3. Minutes shall be kept by the Secretary or any other Officer of the Company at the Registered Office as evidence of the proceedings held, and until the contrary is proved, the proceedings are deemed to have been duly held.
- 51.4. The books containing the minutes of any meeting under Regulation 51.1 shall be kept at the Company's Registered Office and shall during business hours be open to examination by a Shareholder or Director without charge subject to such reasonable limitations as the Company may impose.
- 51.5. A Company shall, within seven (7) days of receiving a written request by a Shareholder for a copy of any minutes of meetings under Regulation 51.1, cause the copy required to be provided to that Shareholder.
- 51.6. In the case of any such refusal or default, the Registration and Licensing Department may by order, compel an immediate inspection of the minutes or direct that the copies required shall be sent to the persons requesting them.

PART 9 – DIRECTORS, MANAGER AND SECRETARY

52. DIRECTORS

- 52.1. Subject to any limitations in the Articles, the overall business and affairs of a Company will be supervised and managed by the Directors.
- 52.2. The Directors may exercise all the powers of a Company except for matters required to be decided at a General Meeting or by action of the Shareholder as determined under these Regulations or Articles.
- 52.3. A Company must have at least one (1) Director.
- 52.4. A Branch shall not have a Director.
- 52.5. A person cannot be a Director who:
 - (a) is under eighteen (18) years of age, unless approved by the Registration and Licensing Department;
 - (b) has been convicted of a criminal offence, involving dishonesty or moral turpitude in the past ten (10) years in any jurisdiction;
 - (c) has been guilty of insider trading or the equivalent;
 - (d) has been disqualified from holding the position of a Director by a court;
 - (e) is not a natural person;



- (f) does not qualify based on any criteria as may be provided in the Articles;
- (g) is an undischarged bankrupt; or
- (h) in the opinion of the Registration and Licensing Department, is not a suitable person to be a Director of a Company.

53. ELECTION, TERM AND REMOVAL OF A DIRECTOR

- 53.1. The Shareholders incorporating a Company must appoint the first Directors at the time of incorporation.
- 53.2. The Directors may be appointed or removed by an Ordinary Resolution or any higher threshold set out in the Articles.
- 53.3. Each Director holds its position until:
 - (a) incapacitation or death;
 - (b) resignation from the position; or
 - (c) removal by an Ordinary Resolution (or any higher threshold as may be set out in the Articles).
- 53.4. The number of Directors may be fixed by the Articles subject to the requirements of Regulation 56.3.
- 53.5. If a Director falls within the criteria set out in Regulation 53.5, the Shareholders must promptly take action to remove such Director from office.
- 53.6. Any appointment or removal of a Director must be notified to the Registration and Licensing Department, which will come into effect on the date the Registration and Licensing Department records such change of Director in the Register.

54. DUTIES OF A DIRECTOR

- 54.1. The duties of Directors set out in Regulations 54 to 56 are owed by a Director to the Company.
- 54.2. A Director of a Company, in exercising powers and discharging duties, has the duty:
 - (a) to act within the powers granted to the Director under the Articles and only exercise powers for the purposes for which they have been conferred;
 - (b) to act honestly and lawfully and in good faith, to promote the success of the Company for the benefit of its Shareholders;
 - (c) not to accept a benefit from a third party, being any person other than the Company (an associate of the Company or a person acting on behalf of the Company);
 - (d) to exercise the care, diligence and skill that a reasonably prudent person, with the general knowledge, skill and experience of being a Director, would exercise in similar circumstances; and
 - (e) to exercise independent and prudent judgment.
- 54.3. No action or omission of a Director shall be treated as a breach of a duty if:
 - (a) all the Shareholders of the Company authorise or ratify the act or omission; and
 - (b) the Company remains able to discharge its liabilities as they fall due after the act or omission.
- 54.4. The Articles shall not include any provision, the effect of which would be to weaken the duties of Directors set out in Regulations 61 to 63.

55. DUTY TO AVOID CONFLICTS OF INTEREST

- 55.1. A Director of a Company must avoid a situation in which he has or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company.
- 55.2. The duty under Regulation 55 applies in particular to the exploitation of any property, information or opportunity.



- 55.3. This duty does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company.
- 55.4. This duty is not infringed:
- (a) if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (b) if the matter has been authorised in writing by the Directors.
- 55.5. Authorisation may be given by the Directors in accordance with Regulation 55.4(b) where the Articles enable the Directors to authorise such matters.
- 55.6. An authorisation under Regulation 55.4(b) is effective if approved by a majority of the Directors excluding the conflicted Director where the Directors are acting in accordance with Regulation 55.

56. DUTY OF A DIRECTOR TO DISCLOSE INTEREST

- 56.1. A Director who has a direct or indirect interest:
- (a) in a transaction entered into or proposed to be entered into by the Company or by a subsidiary of the Company;
 - (b) which interest is material to the extent it conflicts or may conflict with the interests of the Company; and
 - (c) of which the Director is aware,
- must disclose to the Company the nature and extent of the interest.
- 56.2. If the Director's interest under Regulation 56.1 is in a proposed transaction, the Company may not enter into the proposed transaction or arrangement until it has been approved by an Ordinary Resolution.
- 56.3. Once a Director becomes aware of the circumstances that require a disclosure to be made under Regulation 56.1, the Director has a duty to disclose the interest.
- 56.4. The disclosure may be made at a meeting of the Directors or by giving notice in writing to the other Directors as a physical copy or by way of an Electronic Document. If the disclosure of interest is made by giving notice in writing, the disclosure is deemed to form part of the proceedings of the next meeting of the Directors.
- 56.5. A Director shall not vote on any resolution concerning a matter in which he has direct or indirect interest and it has been declared in accordance with this Regulation. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 56.6. The Company or a Shareholder may not claim a transaction to be void or hold a Director accountable where:
- (a) the transaction is confirmed by an Ordinary Resolution, provided that any votes cast by a Shareholder who is also a Director or a Connected Person, who has a conflict of interest in the transaction or arrangement shall be disregarded; and
 - (b) the nature and extent of the Director's interest in the transaction was disclosed in reasonable detail in the notice calling the General Meeting at which the resolution confirming the transaction is passed.
- 56.7. No disclosure is required under this Regulation:
- (a) if the matter in question cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (b) if, or to the extent that, the other Directors are already aware of it (and for this purpose, the other Directors are treated as being aware of anything which they ought reasonably to be aware of).



57. PROHIBITION OF FINANCIAL ASSISTANCE TO DIRECTORS

- 57.1. A Company must not provide financial assistance to a Director, Connected Person, or to a company in which the Director is directly or indirectly a Shareholder owning twenty per cent (20%) or more of the total shareholding, unless:
- (a) approved by a resolution passed by Shareholders holding Shares not less than ninety per cent (90%) of the total voting rights of the Company; and
 - (b) all Directors resolve that giving the financial assistance to the Director does not materially prejudice the interests of the Shareholder or the Company's ability to discharge its liabilities as they fall due.
- 57.2. For purposes of this Regulation 57, "financial assistance" means:
- (a) a loan, debenture, credit facility or other similar form of financial assistance; or
 - (b) a guarantee or security or indemnity in connection with a loan, debenture, credit facility or other similar form of financial assistance, or any such similar financial assistance provided by the Company.
- 57.3. For the avoidance of doubt, financial assistance does not include:
- (a) remuneration of the Director paid in the ordinary course of services provided by the Director;
 - (b) liability indemnity insurance related to the discharge of the duties of the Director to the Company; or
 - (c) the Company's business is provision of finance, and the financial assistance is given in the ordinary course of that business and on ordinary commercial terms.

58. ALTERNATE DIRECTOR

- 58.1. Unless provided otherwise in the Articles, a Director may by a written instrument appoint a person to be his alternate.
- 58.2. An alternate Director is not required to be a Director and may not be a person who would not qualify to be a Director under Regulation 52.5.
- 58.3. An alternate Director has the same rights as a Director, including but not limited to the right to receive notice of meetings, attend and vote at a Directors meeting, or decide on any matter as may be required.
- 58.4. The alternate Director shall not be entitled to vote at any Director meetings on behalf of the Director if the Director who appointed him is present at the meeting. However, an alternate Director who is also a Director of the Company shall be entitled to vote on his behalf as well as the Director who appointed him as an alternate.
- 58.5. An alternate Director shall cease to be an alternate if:
- (a) his appointor ceases to be a Director; or
 - (b) if the appointment is revoked by the appointor.
- 58.6. The Director must make any appointment or removal of an alternate in writing setting out details of the individual along with the duration or term of the alternate Director and provide a copy of such appointment and removal to the Company. In case of appointment, it must be prior to or at the time of commencement of a Directors' meeting.

59. VALIDITY OF THE ACTS OF A DIRECTOR

- 59.1. The Shareholders shall by an Ordinary Resolution require the Directors to undertake or refrain from taking specified action.
- 59.2. The express and detailed powers of the Directors may also be set out in the Articles.
- 59.3. The acts of a Director are valid notwithstanding any defect in the appointment or qualification of a Director.
- 59.4. No resolution or amendment of Articles shall invalidate any prior acts by the Director before passing such resolution or amendment.



60. DELEGATION OF POWER BY DIRECTOR

- 60.1. The Directors may delegate any of their powers to any of the other Directors, the Manager or any other person deemed fit and may withdraw such delegation at any time.

61. DECISIONS OF DIRECTORS

- 61.1. Subject to the Articles, the Directors may regulate their meetings as they think fit.
- 61.2. Directors may waive the requirement of a notice being given for a Director's meeting.
- 61.3. Subject to this Regulation 61, decisions of the Directors must be:
- (a) taken at a meeting of Directors; or
 - (b) as a written resolution signed by majority Directors unless provided for such a higher number or percentage in the Articles.
- 61.4. If the Company only has one (1) Director, the Director may exercise all the powers conferred on the Directors by the Articles, any resolution, or by any means permitted under these Regulations.

62. MANAGER

- 62.1. A Company and a Branch must have a Manager.
- 62.2. The name of the Manager will be recorded in the Register and it must appear on the License.
- 62.3. The Manager is responsible for the day-to-day operations of the Company (in accordance with the requirements of the Directors) or the Branch (in accordance with the requirements of the Directors of the Branch Parent), as the case may be.
- 62.4. A person cannot be a Manager who:
- (a) is under eighteen (18) years of age, unless approved by the Registration and Licensing Department;
 - (b) has been convicted of a criminal offence, involving dishonesty or moral turpitude in the past ten (10) years in any jurisdiction;
 - (c) has been guilty of insider trading or the equivalent;
 - (d) has been disqualified from holding the position of a Manager by a court;
 - (e) does not qualify based on any criteria as may be provided in the Articles;
 - (f) is an undischarged bankrupt; or
 - (g) in the opinion of the Registration and Licensing Department, is not a suitable person to be a Manager.
- 62.5. A Shareholder (if a natural person), Director or Secretary may also be appointed as a Manager.
- 62.6. A Manager of a Company may be appointed or removed by an Ordinary Resolution or a written resolution of the Directors.
- 62.7. In addition to the authority of a Manager under these Regulations, a Manager's authority in the case of the Company may be:
- (a) set out in the Articles;
 - (b) provided for under an Ordinary Resolution; or
 - (c) provided by a written resolution of the Directors.
- 62.8. A Manager of a Branch may be appointed or removed by a resolution duly issued by the Branch Parent.



- 62.9. Each Manager holds its position until:
- (a) incapacitation or death;
 - (b) resignation from the position; or
 - (c) removal by an Ordinary Resolution, or a written resolution of the Directors (in the case of a Company) or the resolution duly issued by the Branch Parent (in the case of a Branch).
- 62.10. Regulation 54.2 shall apply mutatis mutandis to a Manager.
- 62.11. If a Manager falls within the criteria set out in Regulation 62.4, the Shareholder or Directors (in the case of a Company) or the directors of the Branch Parent (in the case of a Branch) must promptly take action to remove such Manager from the office.
- 62.12. Any appointment or removal of a Manager must be notified to the Registration and Licensing Department, which will come into effect on the date the Registration and Licensing Department records such change of Manager in the Register and issues the revised License.

63. SECRETARY

- 63.1. A Company must have one (1) Secretary.
- 63.2. A Branch shall not have a Secretary.
- 63.3. The duties of the Secretary may be set out in the Articles.
- 63.4. A Secretary shall be a natural person.
- 63.5. The Secretary is primarily responsible for filing all documents required to be filed with the Registration and Licensing Department under these Regulations.
- 63.6. The Secretary must be appointed from time to time by an Ordinary Resolution, or a resolution of the Directors at such remuneration and conditions as deemed fit.
- 63.7. Regulations 62.4 and 62.9 applicable to a Manager shall apply mutatis mutandis to a Secretary.
- 63.8. Any appointment or removal of a Secretary must be notified to the Registration and Licensing Department, which will come into effect on the date the Registration and Licensing Department records such change of Secretary in the Register.

64. CHANGE OF OFFICERS

- 64.1. Whenever an Officer:
- (a) is initially appointed; or
 - (b) retires, resigns, is removed or for any other reason ceases to act,
- a notice of change of Officers must be submitted to the Registration and Licensing Department within thirty (30) days of the change, using the form prescribed by the Registration and Licensing Department.
- 64.2. Whenever there is any change in the name or service address of an Officer, a notice of change of name or service address using the form prescribed shall be filed with the Registration and Licensing Department.

65. DISQUALIFICATION OF OFFICERS

- 65.1. If an Officer is or has been disqualified from acting as an Officer by any competent authority or if, at any time, the Registration and Licensing Department:
- (a) has any concerns regarding a person's suitability as an Officer;
 - (b) is aware that, or has evidence that, an Officer has breached one of his or her duties;



- (c) is aware that, or has evidence that, an Officer has been convicted of a criminal offence or any other offence involving fraud or dishonesty; or
 - (d) believes that an Officer has acted or is acting in a manner which is detrimental to or prejudicial to the reputation and interests of the Free Zone or the general public,
- the Registration and Licensing Department may disqualify that Officer and remove that Officer from office.

- 65.2. The Registration and Licensing Department shall notify the Branch or a Company of any such disqualification and removal and shall provide written reasons for such disqualification and removal.
- 65.3. The Branch or a Company whose Officer has been removed pursuant to Regulation 65.1 may replace that Officer pursuant to these Regulations within fifteen (15) days of notification by the Registration and Licensing Department.

66. EXEMPTION, INDEMNIFICATION AND LIABILITY OF OFFICERS

- 66.1. Any provision that purports to exempt a Director from any liability for fraud in connection with any in relation to the Company is void.
- 66.2. An Officer shall indemnify the Company in respect of any liability incurred by the Company in defending any proceedings to the extent permitted by the law.
- 66.3. An Officer shall be liable jointly and severally only if it is proved that the individual knowingly engaged in fraud or dishonesty.
- 66.4. This Regulation 66 applies to any provision, whether contained in Articles or a contract of appointment or otherwise.

67. PROVISION OF PROFESSIONAL INDEMNITY INSURANCE

- 67.1. A Company may purchase and maintain insurance for the benefit of its Officer against any liabilities arising out of the lawful performance of its duties under these Regulations.

PART 10 – AUDIT AND ACCOUNTS

68. PREPARATION OF ACCOUNTS

- 68.1. The Directors of every Company shall prepare its accounts and have its accounts audited by an auditor registered and licensed in the UAE for each financial year of the Company.
- 68.2. The accounts must:
- (a) be prepared in accordance with and comply with the IFRS;
 - (b) show a true and fair view of the profit and loss of the Company for the period and of the state of the Company's affairs at the end of the period;
 - (c) contain such further information as required by these Regulations; and
 - (d) be approved by the Directors and signed on their behalf by at least one (1) of them.
- 68.3. Within three (3) months after the end of the financial year, the accounts of a Company shall be approved by the Shareholders.
- 68.4. A Company which fails to comply with each of the requirements in this Regulation 68 is liable to a fine as set out in the Violations Code.

69. AUDITOR

- 69.1. A Company must appoint an auditor and fix the auditor's remuneration at a General Meeting or by passing an Ordinary Resolution.



- 69.2. The Company must not appoint an auditor under these Regulations unless:
- (a) the auditor has, prior to the appointment, consented in writing to the appointment; and
 - (b) the Company is not, on reasonable enquiry, aware of any matter which should preclude the auditor from giving its consent.
- 69.3. An auditor shall not consent to an appointment as an auditor of a Company if the auditor:
- (a) has, or may reasonably be perceived to have, a conflict of interest; or
 - (b) does not have, or may reasonably be perceived not to have, a requisite degree of independence from the Company.
- 69.4. A Company may, subject to any agreement with the auditor, remove an auditor at any time by Ordinary Resolution.

70. AUDITORS' REPORT

- 70.1. A Company's auditor shall examine the financial statements of the Company presented pursuant to Regulation 68.1 and prepare a report to the Shareholders on the accounts examined by the auditor in accordance with the IFRS standards.
- 70.2. The auditor has a right of access to the Company's Records at all reasonable times and is entitled to obtain from the Officers such information and explanations as the auditor considers necessary for the performance of its duties.
- 70.3. Every auditor is entitled to receive notice of, and attend, any General Meeting and to be heard on any part of the business of the meeting which concerns the auditor.
- 70.4. Every Company and its Officers shall take reasonable efforts to provide such information and assistance as required by its auditor for the purposes of the auditor carrying out its duties under these Regulations.
- 70.5. A Company shall file a notice of appointment and cessation of auditor with the Registration and Licensing Department, upon request.
- 70.6. The auditor's report shall state:
- (a) whether, in the auditor's opinion, the accounts have been properly prepared in accordance with these Regulations;
 - (b) in particular, whether the accounts give a true and fair view of the profit or loss of the Company for the financial year and of the state of the Company's affairs at the end of the financial year; and
 - (c) any other matter or opinion required under these Regulations.

71. DUTIES OF AUDITOR

- 71.1. A Company's auditor, in preparing the auditor's report, must carry out such investigations as will enable the auditor to form an opinion as to whether:
- (a) adequate accounting records have been kept by the Company;
 - (b) returns adequate for their audit have been received; and
 - (c) the Company's individual accounts are in agreement with the accounting records and returns.
- 71.2. If the auditor is of the opinion:
- (a) that adequate accounting records have not been kept, or that returns adequate for their audit have not been received; or
 - (b) that the Company's individual accounts are not in agreement with the accounting records and returns,
- the auditor shall state their opinion in the auditor's report.



- 71.3. If the auditor fails to obtain all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of his audit, the auditor shall state that fact in the auditor's report.
- 71.4. An auditor who fails to comply with any of the requirements of this Regulation 78, is liable to a fine, as set out in the Violations Code.

72. RESIGNATION OF AN AUDITOR

- 72.1. An auditor of a Company may resign from the office by depositing a notice in writing together with a statement under Regulation 72.2 at the Company's Registered Office. Such notice operates to bring the auditor's term to an end on the date on which the notice is deposited, or on such later date specified in the notice.
- 72.2. When an auditor ceases for any reason to hold office, the auditor shall deposit at the Company's Registered Office either:
- (a) a statement that there are no circumstances connected with the ceasing to hold office which the auditor considers should be brought to the notice of the Shareholders or Creditors of the Company; or
 - (b) a statement of any circumstances connected with the ceasing to hold office which the auditor considers should be brought to the notice of the Shareholders or Creditors of the Company.
- 72.3. In the case of a statement that falls within Regulation 72.2(b), the Company shall, within fourteen (14) days of the auditor depositing such notice at the Company's Registered Office, send a copy of the statement to every Shareholder of the Company. A Company which fails to comply with this requirement is liable to a fine, as set out in the Violations Code.
- 72.4. If an auditor ceases for any reason to hold office, the Directors shall, within thirty (30) days of the cessation of office, call upon the Shareholders to appoint a replacement by passing an Ordinary Resolution.

73. FINANCIAL YEAR

- 73.1. Subject to Regulation 73.2, the first financial year of a Company shall start on the day on which it is incorporated and last for a period not less than six (6) months but not exceeding eighteen (18) months as may be determined by the Directors.
- 73.2. Where a body corporate has become a Company by virtue of a transfer of incorporation pursuant to Regulation 77, the first financial year of that Company under these Regulations may, at the option of the Directors, be deemed to have started from the date it is deemed to have been registered as a Company under these Regulations and shall last for twelve (12) months.
- 73.3. The second and any subsequent financial year of a Company shall start at the end of the previous financial year and shall last twelve (12) months.

74. MAINTENANCE OF ACCOUNTS

- 74.1. Accounting records shall be preserved by the Company for at least six (6) years from the date upon which they were created or such longer period as may be required from time to time pursuant to any tax law applicable in the UAE.
- 74.2. Every Company must keep accounting records including underlying documents which are sufficient to show and explain its transactions so as to:
- (a) disclose with reasonable accuracy the financial position of the Company at any time; and
 - (b) enable the Directors to ensure that any accounts prepared by the Company comply with the requirements of these Regulations.



74.3. Each Company's accounting records must be:

- (a) kept at the Company's Registered Office or such other place that the Directors think fit; and
- (b) open to inspection by a Shareholder, Officer or auditor of the Company at all reasonable times.

75. COPIES OF ACCOUNTS

- 75.1. Any Shareholder of a Company is entitled, on written request made by that Shareholder to the Company and without charge, to be furnished with a copy of the Company's latest audited accounts and auditor's report.
- 75.2. A Company shall comply with such a request within seven (7) days of receipt of the request.
- 75.3. A Company which fails to comply with the requirements in this Regulation 75 is liable to a fine, as set out in the Violations Code.

76. COOPERATION WITH AUDITORS

- 76.1. A Company, any Officer of a Company and any person acting under the direction or authority of such a Company or Officer, shall not:
- (a) knowingly or recklessly provide information to its auditor which is false, misleading or deceptive;
 - (b) omit information where the omission of such information is likely to mislead or deceive the auditor;
 - (c) destroy or conceal documents;
 - (d) coerce, manipulate, mislead, or influence the auditor;
 - (e) fail to provide access to information or documents specified by the auditor;
 - (f) fail to give any information or explanation to the auditor which the person is able to give;
 - (g) obstruct the auditor in the performance of its duties or the exercise of its powers; or
 - (h) take any action which shall result in the rendering of the accounts of the Company or any other aspect of the auditor's report materially misleading.
- 76.2. A person who fails to comply with the requirements of the Regulation 76 is liable to a fine, as determined by the Registration and Licensing Department in the Violations Code.

PART 11 – RE-DOMICILIATION

77. TRANSFER INTO THE FREEZONE

- 77.1. A Non-Dubai South may, if authorised by the laws and regulations of the jurisdiction in which it is registered, make an application to the Registration and Licensing Department for continuation as a Company in the Free Zone.
- 77.2. An application made to the Registration and Licensing Department in accordance with this Regulation 77 must include:
- (a) an application for the continuation of the Non-Dubai South Company as a Company in the Free Zone;
 - (b) a resolution duly issued resolving to transfer the Non-Dubai South Company to the Free Zone and for it to continue as a Company;
 - (c) a no-objection letter from the regulatory body or registrar in the jurisdiction from which the Non-Dubai South Company is transferring from or a legal opinion from a duly licensed law firm in the same jurisdiction confirming the ability to transfer out of that jurisdiction and into the Free Zone;



- (d) the name, nationality, and service address of the Non-Dubai South Company along with information of the UBO;
- (e) the name, nationality and service address of the Shareholders of the Non-Dubai South Company;
- (f) the following corporate documents of the Non-Dubai South Company (in such form as may be prescribed by the Registration and Licensing Department):
 - (i) its certificate of incorporation;
 - (ii) its memorandum and articles of association;
 - (iii) commercial register or certificate of incumbency (or equivalent document showing the details of the Non-Dubai South Company, director and signatories); and
 - (iv) details of the UBO.
- (g) the name, nationality and service address of each of Director, Manager and Secretary;
- (h) the proposed name followed by the abbreviation "DWC-LLC";
- (i) the amount of the Share Capital denominated in AED;
- (j) details of any classes of Shares;
- (k) the type and size of premises required for the proposed activities;
- (l) the accounts or audited financial statements of the Non-Dubai South Company for such period as may be prescribed by the Registration and Licensing Department;
- (m) the proposed License activities upon continuation as a Company in accordance with these Regulations;
- (n) payment of applicable fee as set out in the Tariff; and
- (o) any other documents or information as may be required by the Registration and Licensing Department.

77.3. The Non-Dubai South Company shall adopt Articles or make amendments necessary to conform to these Regulations.

77.4. The Registration and Licensing Department may reject the application for continuation if within six (6) months from the initial application submission:

- (a) the Non-Dubai South Company fails to fulfil any of the conditions listed in Regulation 77.2 or 77.3;
- (b) the Non-Dubai South Company is found to have provided false, inaccurate or misleading information;
- (c) the Non-Dubai South Company is insolvent, subject to any voluntary or involuntary insolvency or liquidation proceedings (or any equivalent or analogous proceedings by whatever name known) or if a receiver has been appointed over any of its assets; or
- (d) the acceptance of the Non-Dubai South Company may be prejudicial to the reputation and/or interests of the Free Zone, the Emirate of Dubai or the UAE,

in which case the Registration and Licensing Department's decision shall be considered final and shall not be subject to the appeal or review by any court.

77.5. On approval of the application and confirmation of the premises, the Registration and Licensing Department shall issue in relation to the Company (previously the Non-Dubai South Company) the following corporate documents:

- (a) License;
- (b) Share certificate(s);
- (c) Certificate of Continuation; and
- (d) registered Articles.



- 77.6. Subject to Regulation 77.5, if the Registration and Licensing Department approves the application for continuation, the Non-Dubai South Company shall, within three (3) months of the date of issue of the Certificate of Continuation, file with the Registration and Licensing Department a certificate evidencing that the Non-Dubai South Company has ceased to be incorporated under the laws of the jurisdiction of the Non-Dubai South Company.

78. CERTIFICATE OF CONTINUATION

- 78.1. With effect from the date of continuation stated in the Certificate of Continuation, a Non-Dubai South Company will be considered to be registered as a Company to which these Regulations and the Rules shall apply.
- 78.2. All the property, rights, liabilities, debts and obligations of the Non-Dubai South Company will continue with the Company from the date of the Certificate of Continuation.
- 78.3. The Certificate of Continuation is treated as the certificate of incorporation of the Company.
- 78.4. The Company (previously the Non-Dubai South Company) will remain a party in any legal proceedings commenced in any jurisdiction to which it was a party to before the issuance of the Certificate of Continuation.
- 78.5. The Registration and Licensing Department must, if requested by the Company, send a copy of the Certificate of Continuation to the appropriate official or public body in the jurisdiction in which the application for continuation was authorised.

79. TRANSFER OUT OF THE FREE ZONE

- 79.1. A Company may apply to the appropriate official or public body of a foreign jurisdiction for the continuation of the Company in a jurisdiction outside the Free Zone as a Non-Dubai South Company subject to securing approval of the Registration and Licensing Department.
- 79.2. The application to the Registration and Licensing Department for approval under Regulation 79.1 should include the following:
- (a) an application in prescribed form for the continuation of the Company as a Non-Dubai South Company;
 - (b) a Special Resolution resolving to transfer the Company out of the Free Zone to continue as a Non-Dubai South Company;
 - (c) payment of all dues and penalties to the Registration and Licensing Department (as may be applicable);
 - (d) payment of applicable fees (including any rent fees) as set out in the Tariff; and
 - (e) any other document or information required by the Registration and Licensing Department.
- 79.3. The Company shall issue a notice of Publication for not less than thirty (30) days, prior to making the application for continuation outside the Free Zone and furnish the evidence of the same to the Registration and Licensing Department.
- 79.4. A Company shall make an application under Regulation 79.1 provided that the laws of the foreign jurisdiction permit that the Non-Dubai South Company shall:
- (a) continue to have all the property, rights and privileges and is subject to all the liabilities, restriction and debts that it had before the continuation as a Non-Dubai South Company; and
 - (b) remain a party in any legal proceedings commenced in any jurisdiction in which it was a party to before the continuation as a Non-Dubai South Company.
- 79.5. A Company ceases to be a Company within the meaning of these Regulations when the Company is continued as a Non-Dubai South Company and when the Non-Dubai South Company files with the Registration and Licensing Department a copy of the certificate or instrument of continuation certified by the appropriate official of the foreign jurisdiction.



79.6. When the Registration and Licensing Department receives the foreign jurisdiction's certificate or instrument of continuation, the Registration and Licensing Department must remove the Company from its Register and issue a certificate of cancellation.

80. REFUSAL FOR TRANSFER TO ANOTHER JURISDICTION

- 80.1. The Registration and Licensing Department may refuse to authorise a Company to apply to be continued as a Non-Dubai South Company upon application under Regulation 79.2.
- 80.2. The Registration and Licensing Department is not required to provide reasons for refusal to be continued as a Non-Dubai South Company.
- 80.3. The Company may appeal to the court from a decision of the Registration and Licensing Department under regulation 80.1.

PART 12 – DORMANCY

81. VOLUNTARY SUSPENSION OF LICENSE

- 81.1. Subject to compliance with any rules issued by the Registration and Licensing Department from time to time, a Company may request, following approval by a Special Resolution to the Registration and Licensing Department, to suspend its License for a period of up to twelve (12) months but no more than a cumulative period of thirty-six (36) months to be approved by the Registration and Licensing Department.
- 81.2. The application to the Registration and Licensing Department for approval under Regulation 81.1 should include the following:
- (a) a Special Resolution of the Company approving voluntary suspension of the License;
 - (b) a letter from the auditor of the Company confirming the solvency of the Company as at the end of the last financial year;
 - (c) proposed expiry date of voluntary suspension;
 - (d) evidence to the satisfaction of the Registration and Licensing Department, that:
 - (i) all permits and/or visas have been cancelled;
 - (ii) any leases have been cancelled;
 - (iii) all bank accounts have been suspended or closed; and
 - (iv) all required third party approvals have been obtained.
 - (e) payment of applicable fee as set out in the Tariff; and
 - (f) any other documentation or information as may be reasonably requested by the Registration and Licensing Department.
- 81.3. A Company is eligible to apply to the Registration and Licensing Department for voluntary suspension of a License provided it is validly existing and has held an active License for a period of at least twelve (12) months prior to the date of the application.
- 81.4. With effect from the suspension of its License following a request made under Regulation 81.1, the Company must not trade or carry out any business activities until such time as the Registration and Licensing Department has reactivated the License of that Company.
- 81.5. A Branch is not permitted to apply for voluntary suspension of its License.
- 81.6. If an application by a Company for voluntary suspension of a License is approved, the Registration and Licensing Department must update the Company's status in the Register as dormant and provide to the Company a Dormancy Certificate.



- 81.7. On or before the date of expiry of a Permitted Period stated in the Dormancy Certificate, a Company must submit to the Registration and Licensing Department:
- (a) an application for activation of License;
 - (b) a request for an extension of an existing Permitted Period pursuant to Regulation 81.1; or
 - (c) a request to voluntarily terminate the License.
- 81.8. In this Regulation 81:
- (a) “Dormancy Certificate” means the certificate issued by the Registration and Licensing Department to the Company confirming the voluntary suspension of the Company’s License.
 - (b) “Permitted Period” means the period of voluntary suspension permitted by the Registration and Licensing Department.
- 81.9. Application for activation of License under Regulation 81.7 (a) must include the following:
- (a) confirmation of type and size of premises leased;
 - (b) Special Resolution for reactivation of the License;
 - (c) name and details of the Officers;
 - (d) updated information of the UBO;
 - (e) payment of applicable fees as set out in the Tariff; and
 - (f) any other documentation or updated information as may be requested by the Registration and Licensing Department.
- 81.10. Subject to the Registration and Licensing Department’s approval of an application made under Regulation 81.9, the Registration and Licensing Department must update the Company’s status in the Register as active and issue a revised License.

PART 13 – CONVERSION

82. CONVERSION OF BRANCH TO COMPANY

- 82.1. A Branch may apply to the Registration and Licensing Department for it to be converted to a Company if a duly issued resolution to that effect is passed by the Branch Parent of the Branch.
- 82.2. A Conversion application by the Branch to the Registration and Licensing Department must include:
- (a) A resolution for Conversion passed by the Branch Parent;
 - (b) the name, nationality and service address of each of Director and Secretary to be appointed;
 - (c) the proposed name of the Company upon Conversion;
 - (d) the amount of the Share Capital denominated in AED;
 - (e) the proposed name of the Company immediately followed by the abbreviation “DWC-LLC”;
 - (f) details of any classes of Shares;
 - (g) payment of applicable fees as set out in the Tariff; and
 - (h) any other documents or information requested by the Registration and Licensing Department.
- 82.3. On approval of the Conversion application, the Registration and Licensing Department may issue the following documents:
- (a) a revised License;
 - (b) a Share certificate;
 - (c) a certificate of incorporation;
 - (d) a certificate confirming Conversion; and
 - (e) a registered Articles.



- 82.4. The registration and License number of the Branch upon Conversion will remain unchanged.
- 82.5. The Branch is deemed to be converted to a Company, on the date set out in the certificate of incorporation.
- 82.6. All rights, liabilities and obligations of the Branch will continue with the Company. The Company must comply with all provisions of these Regulations in relation to a Company.
- 82.7. The Conversion will be recorded by the Registration and Licensing Department in the Register.
- 82.8. A Company may not be converted into a Branch.

PART 14 - LIQUIDATION

83. MODES OF LIQUIDATION

- 83.1. A Company may be liquidated:
 - (a) Voluntarily by the Company and/ or its Shareholders;
 - (b) by the Registration and Licensing Department; or
 - (c) by the court.
- 83.2. A Company will be under liquidation in the event of a voluntary liquidation or liquidation by the Registration and Licensing Department. The Registration and Licensing Department will include “under liquidation” after the name of the Company in the Register. A Company must include “under liquidation” after its name in all its correspondences with third parties.

84. BANKRUPTCY

- 84.1. The provisions of the Federal Law No. 9 of 2016, as amended pursuant to Federal Decree-Law No. 35 of 2021 (and includes any re-enactments or amendments) relating to the bankruptcy of companies shall be applicable to a Company in the Free Zone.

85. DEREGISTRATION BY THE REGISTRATION AND LICENSING DEPARTMENT

- 85.1. A Company may be deregistered by the Registration and Licensing Department at its discretion, in the following events:
 - (a) a Company's failure to commence business activity under the License within 2 years from its incorporation, or suspension of the business activity under its License for 2 years;
 - (b) a Company acts in contravention of these Regulations and/or the Rules or other applicable Free Zone laws;
 - (c) a Company's failure to renew the License for more than two (2) years;
 - (d) the failure to appoint or replace any one or more Officers such that the Company has no Manager, Director and/or Secretary to operate and administer the business of the Company;
 - (e) termination of the License of the Company by the Registration and Licensing Department; or
 - (f) upon order of the court to liquidate the Company.
- 85.2. Upon the deregistration of a Company pursuant to Regulation 85.1, the Shareholders must immediately commence liquidation proceedings in accordance with Regulation 87.
- 85.3. If a Company has been deregistered by the Registration and Licensing Department pursuant to Regulation 85.1:
 - (a) this shall not discharge the Company of its obligations and liabilities; and
 - (b) the Registration and Licensing Department may (but is not obliged to) submit to the court a petition for the winding-up of the Company.



86. VOLUNTARY LIQUIDATION

86.1. A Company may be liquidated voluntarily in the following events:

- (a) when the period, if any, fixed for the duration of the Company by its Articles, expires;
- (b) when an event, as may be provided in the Articles, occurs where a Company is to be dissolved; or
- (c) when the Company resolves by a Special Resolution, or by a resolution passed by such majority of Shareholders with voting rights as prescribed in the Articles, that the Company be liquidated voluntarily.

87. APPOINTMENT AND DUTIES OF LIQUIDATOR

87.1. An auditor must be appointed as a liquidator by a Special Resolution (or by any other mechanism as mutually agreed by the Shareholders) for purposes of liquidation or upon the occurrence of any event set out in Regulation 85.1 subject to securing necessary approvals and in accordance with the process set out by the Registration and Licensing Department.

87.2. The Registration and Licensing Department must enter the name of the liquidator for the Company in the Register.

87.3. A liquidator will have the authority to conduct the affairs of a Company under liquidation. A liquidator's duties include:

- (a) to prepare a list of the Company's assets and liabilities and a balance sheet on which the liquidator will sign along with the Manager or any one Director of the Company;
- (b) to maintain a register for the liquidation process;
- (c) to preserve the Company's assets and entitlements;
- (d) to carry on the business or act for the Company so far as may be necessary for its beneficial liquidation;
- (e) to collect the funds owed to the Company by others, and to deposit the sums received in the bank account of the Company immediately upon receipt;
- (f) to operate, maintain and close the bank accounts of a Company, if requested by the Company;
- (g) to bring or defend any action or other legal proceeding in the name and on behalf of the Company;
- (h) to appoint or remove any Officers or employees of a Company;
- (i) to pay the Company's debts;
- (j) to sell or assign the Company's movable property or real estate;
- (k) to provide the Shareholders with a provisional account on the liquidation process every six (6) months;
- (l) to give the information or data requested by the Shareholders concerning the status of the liquidation process; and
- (m) to appoint an agent to perform any duties or carry any business in the name and on behalf of the Company which the liquidator is able to do himself under this Regulation 87.3.

87.4. The powers and duties granted to a liquidator must not, unless the liquidator requires, be performed by the Officers of the Company, and the role of the Officers must be limited to assisting the liquidator in performance of the liquidator's powers and duties.

87.5. Where a Company is in dissolution due to an order of the court, the court may define the method of liquidation and appoint the liquidator.

87.6. A liquidator cannot undertake new business for the Company, unless necessary for its ongoing business or completion of a previous business.



88. VACANCY IN OFFICE OF LIQUIDATOR

- 88.1. If a vacancy occurs in the office of a liquidator, by death, resignation or otherwise, then the liquidator may be replaced by a Special Resolution of the Company. The replacement of a liquidator must be notified to the Registration and Licensing Department.

89. DISTRIBUTION OF ASSETS

- 89.1. A liquidator must notify all the Creditors of the Company, by registered mail or by electronic means, of the commencement of the liquidation process and invite the Creditors to present their claims.
- 89.2. A liquidator must arrange for Publication of the liquidation of the Company and invite objections to the liquidation within thirty (30) days from the date of the publication.
- 89.3. The assets of the Company must be distributed by the liquidator in the following order of priority:
- (a) first towards amounts owed to the Free Zone;
 - (b) the entitlements of the Company's employees;
 - (c) the remaining towards the cost of liquidation, including the liquidator's fee;
 - (d) the remaining to the Creditors; and
 - (e) the remaining to the Shareholders on a pro rata basis.
- 89.4. Where a Creditor fails to present its claim, the liquidator must deposit the sum owed to that Creditor in the court.

90. DIRECTORS' POWERS

- 90.1. On the appointment of a liquidator, all the powers of the Officers cease, except so far as the Company at a General Meeting or the liquidator sanctions their continuance.

91. COMPLETION OF LIQUIDATION

- 91.1. On completion of liquidation in accordance with these Regulations, the liquidator will issue a final liquidation report to the Company for delivery to the Registration and Licensing Department.
- 91.2. The Registration and Licensing Department may, provided that the liquidation has been conducted to the satisfaction of the Registration and Licensing Department, cancel the License; and remove the Company from the Register and issue a certificate confirming the liquidation of the Company.

92. RECORDS OF DISSOLVED COMPANY

- 92.1. Where a Company has been liquidated in accordance with these Regulations, its remaining records shall be retained by the Shareholders of the Company, or those persons whom the Shareholders nominate, and be disposed of after five (5) years from the date the Company is liquidated.

93. DE-REGISTRATION OF A BRANCH

- 93.1. A Branch may be de-registered:
- (a) Voluntarily by the Branch Parent;
 - (b) by the Registration and Licensing Department; or
 - (c) by the court.
- 93.2. A Branch will be under de-registration in the event of a voluntary de-registration or de-registration by the Registration and Licensing Department. The Registration and Licensing Department will include "under de-registration" after the name of the Branch in the Branches Register. A Branch must include "under de-registration" after its name in its correspondences with third parties.



- 93.3. A Branch may be de-registered by the Registration and Licensing Department at its discretion, in the following events:
- (a) failure to commence business activity under the License within a year from its registration, or suspension of the business activity under its License for a year;
 - (b) committing any acts in contravention of these Regulations and/or the Rules or other applicable Free Zone laws;
 - (c) failure of the Branch to renew the License for more than two (2) years;
 - (d) failure to appoint or replace any one or more Officers such that the Branch has no Manager to operate and administer the business of the Branch;
 - (e) termination of the License of the Branch by the Registration and Licensing Department; or
 - (f) upon order of the court to de-register the Branch.
- 93.4. A Branch may be de-registered voluntarily when the Branch Parent resolves that the Branch is de-registered voluntarily. A copy of the Branch Parent resolution must be submitted to the Registration and Licensing Department.
- 93.5. The Registration and Licensing Department may, provided that the de-registration has been conducted to the satisfaction of the Registration and Licensing Department, cancel the License and remove the Branch from the Branches Register.
- 93.6. If a Branch is deregistered, any liabilities which have been incurred by that Branch shall remain the liabilities of the Branch Parent.

PART 15 – INSPECTION, POWER, AND REMEDIES

94. APPOINTMENT OF INSPECTORS

- 94.1. The Registration and Licensing Department may, if it appears that contravention of the Rules or these Regulations have been committed shall, appoint inspector(s) to investigate the affairs of an entity including but not limited to any licensing, AML, corporate or any other matters it deems fit.
- 94.2. An inspector appointed pursuant to Regulation 94.1 may:
- (a) perform on-site inspections;
 - (b) interview employees and Officers of the entity;
 - (c) require that the entity promptly provide documentation requested by the inspector;
 - (d) seek information from such third-party regulatory authorities as may be required;
 - (e) apply or enforce sanctions specified by the Registration and Licensing Department; and
 - (f) take such other steps as reasonably required to investigate the affairs of the entity.
- 94.3. The inspector shall report conclusions and findings to Registration and Licensing Department as required.
- 94.4. The inspector may make recommendations regarding the entity to the Registration and Licensing Department.
- 94.5. The inspector may at any time during the investigation inform the Registration and Licensing Department of matters coming to its knowledge as a result of the investigation which it believes indicates that a contravention has been committed.
- 94.6. An entity that refuses to permit inspection without a valid reason, will be subject to a fine in accordance with the Violations Code.



95. POWERS OF INSPECTORS

- 95.1. An inspector appointed under Regulation 94.1, may on investigation of the affairs of an entity, if it thinks necessary for the purposes of its investigation, also investigate the affairs of another entity if relevant to its investigation at time of inspection.

96. EVIDENCE TO INSPECTORS

- 96.1. If the inspector appointed under Regulation 94.1 considers that the Officer of an entity is or may be in possession of information relating to a matter, which it believes to be relevant to the investigation, an inspector may require that an Officer:
- (a) produces and makes available to it all Records in that Officer's custody or power relating to that matter; and
 - (b) at reasonable times and on reasonable notice, attends before the inspector and gives the inspector all assistance in connection with the investigation, which that Officer is reasonably able to give.
- 96.2. An Officer must produce and make available to an inspector all Records in the Officer's possession or under the Officer's control (whether alone or jointly with another person) relating to the entity finances or otherwise, which the inspector has reasonable grounds for believing will evidence that money has been paid which has been in any way connected with an act or omission which constitutes misconduct (whether fraudulent or not) or which indicates that a contravention of the Rules or these Regulations has been committed.
- 96.3. An entity shall comply with any direction issued by the Registration and Licensing Department under these Regulations.

97. EXPENSES OF INVESTIGATION

- 97.1. If an entity, any Shareholder or Officer requests the Registration and Licensing Department to appoint an inspector, the Registration and Licensing Department may, before appointing an inspector, require the applicant to give security, or an amount equivalent to the reasonably estimated costs of the investigation.
- 97.2. The expenses of an investigation by an inspector will be paid in the first instance by the Registration and Licensing Department, but the Registration and Licensing Department may order any person or corporate entity to make repayment to the extent specified by the Registration and Licensing Department.

98. INSPECTOR'S REPORTS

- 98.1. An inspector shall submit a written report to the Registration and Licensing Department at the conclusion of its investigation.
- 98.2. The inspector shall make such interim reports, if any are requested by the Registration and Licensing Department, and upon the conclusion of its investigation must make a final report to the Registration and Licensing Department.
- 98.3. The Registration and Licensing Department may, upon receipt of a report by an inspector, do any one or more of the following:
- (a) provide a copy of the report to the entity to which it relates; or
 - (b) provide a copy on request and on payment of the prescribed fee to any person to whom the Registration and Licensing Department deems appropriate.



PART 16 - OTHER POWERS OF REGISTRATION AND LICENSING DEPARTMENT

99. DIRECTION TO COMPLY WITH THESE REGULATIONS

- 99.1. If an entity or any Officer fails to comply with these Regulations or of any other, rule, policy or decision applicable in the Free Zone or a requirement made by the Registration and Licensing Department pursuant to any power under these Regulations, including but not limited to the delivery or filing of any document with the Registration and Licensing Department, or to give notice of any matter, the Registration and Licensing Department may issue a notice that the entity or any Officer make good of such failure within a time specified in the notice.

100. POWERS TO OBTAIN OR SHARE INFORMATION

- 100.1. The Registration and Licensing Department may require any entity incorporated or registered under these Regulations, including any Shareholder, or Officer by written notice, to give, or procure the giving of, information, or Records to the Registration and Licensing Department.
- 100.2. Any information or Record given or produced on request of the Registration and Licensing Department under this Regulation is admissible as evidence in any proceedings, provided that any such information or document also complies with any requirements relating to the admissibility of evidence in such proceedings.
- 100.3. The Registration and Licensing Department may provide information or require one-time or periodic training on issues relevant to compliance with these Regulations and other relevant laws, rules, or policies of the Free Zone.

PART 17 – SHARE PLEDGE

101. SHARE PLEDGE

- 101.1. A Share Pledge is a type of Security that involves transferring or holding a number of Shares of a Shareholder by another party, usually a bank or a financial institution, as a guarantee for the repayment of a debt or the performance of an obligation of the Pledgor or the Company.
- 101.2. Unless otherwise agreed in the Share Pledge agreement, the Pledgor shall continue to have the following rights in respect of the Shares pledged:
- (a) right to receive dividends and other distributions paid or payable in cash; and
 - (b) unfettered right to exercise all voting rights.
- 101.3. The Share Pledge is only effective against the Company or third parties if it is registered in the Security Register maintained by the Registration and Licensing Department.
- 101.4. A Share Pledge can be modified or released, in accordance with these Regulations. A Company, Pledgor or Pledgee must report to the Registration and Licensing Department the creation, modification or discharge of a Share Pledge within fourteen (14) days of the creation, modification or discharge.
- 101.5. Subject to the provisions of the Articles of a Company and the Regulations, a Shareholder may pledge its Shares in a Company as prescribed under Regulation 101.1.
- 101.6. The Registration and Licensing Department shall issue a certificate to evidence the registration of the Share Pledge.



102. CREATION AND REGISTRATION OF SHARE PLEDGE

- 102.1. A Share Pledge requires following actions to be undertaken by the Pledgor and Pledgee:
- The Pledgor to furnish a written Shareholder resolution approving the Share Pledge and execution of the share pledge agreement.
 - Execution of a share pledge agreement by Pledgor and Pledgee.
 - Following the signing of the Share Pledge agreement, the Pledgor must hand over the physical original Share certificates in the Company to the Pledgee.
- 102.2. For creation of a Share Pledge an application must be submitted to the Registration and Licensing Department in the prescribed form along with following:
- the name, details and service address of a Shareholder granting Share Pledge along with information of the number of Shares (and, if applicable, their type or class);
 - a copy of Share Pledge agreement;
 - confirmation that the Pledgor has delivered possession of the Share certificates representing the Shares to the Pledgee;
 - the amount of the Share Pledge;
 - the name, contact number, email address, and service address of the person in whose favour the Share Pledge is created;
 - payment of applicable fee as set out in the Tariff; and
 - any other information or documents as may be required by the Registration and Licensing Department.
- 102.3. The Share pledge shall be created when it is entered in the Security Register of the Registration and Licensing Department.
- 102.4. Share Pledge will be void if the required details are not filed for registration in the Security Register with the Registration and Licensing Department in accordance with Regulation 102.2, within fourteen (14) days of the execution of the Share Pledge agreement.
- 102.5. A filing will be ineffective if at the time of filing it contains seriously misleading errors in the details of the Pledgor or Pledgee, the amount or nature of the secured obligation or the identification of the Shares. The Pledgor or the Pledgee must take necessary steps to amend or withdraw a filing if it is, or becomes, false, inaccurate or misleading in any material respect.
- 102.6. Any interested person may submit to the Registration and Licensing Department a search request in respect of a Share Pledge in the form and in the manner prescribed by the Registration and Licensing Department from time to time. The Registration and Licensing Department shall supply the details requested in a duly completed search request within ten (10) days of actual receipt of such request and upon payment of applicable fee.

103. AMENDMENT OR RELEASE OF SHARE PLEDGE

- 103.1. To release or amend a Share Pledge, an application must be submitted to the Registration and Licensing Department in the prescribed form, along with the following documents and information:
- The application must be submitted with an amendment agreement or written confirmation of discharge along with such other information as required by the Registration and Licensing Department.
 - A written confirmation of discharge signed by the Pledgee, must state that the secured obligation has been fully satisfied or waived and that the Pledgee has no further claim or interest in the pledged shares.
 - the name, details and service address of the pledgor and the pledgee;
 - payment of the applicable fee as set out in the tariff; and
 - any other information or documents as may be required by the Registration and Licensing Department.



- 103.2. A Share Pledge will be deemed to be amended or discharged at the time it is recorded in the Security Register.
- 103.3. The Registration and Licensing Department will issue a certificate to evidence the release of the Share Pledge and notify the Company whose shares have been pledged.
- 103.4. The Pledgor will then be free to deal with the Shares as it wishes, subject to the provisions of the Articles of the Company and these Regulations.
- 103.5. Unless otherwise provided in the pledge agreement the Pledgor shall continue to have the unfettered right to exercise all voting rights pertaining to the Pledged shares.

104. EFFECTIVENESS AND PRIORITY PLEDGE

- 104.1. Once the Share Pledge has been created the Share Pledge shall be enforceable against the Pledgor and all third parties.
- 104.2. A Company whose Shares have been pledged shall not be permitted to:
 - (a) file with the Registration and Licensing Department, any application for the transfer of any of the pledged Shares; or
 - (b) issue replacement Share certificates in respect of Shares which are pledged.

105. DEFAULT OF SHARE PLEDGE

- 105.1. If the Pledgee does not receive payment in full of the amount secured by the Share Pledge when due and payable, it may apply to the court for authorisation to sell any or all of the pledged Shares at public auction subject to any pre-emption rights in the Articles or the binding shareholders agreement.
- 105.2. The courts shall resolve any dispute arising out of or in connection with the Share Pledge (including a dispute regarding the existence, validity or termination of the Share Pledge and the consequences of its nullity) unless the Pledgor and Pledgee have agreed upon a specific dispute resolution mechanism in the Share Pledge agreement.
- 105.3. Enforcement of a Share Pledge by the Registration and Licensing Department will require an order of court to be furnished by the interested party.
- 105.4. The proceeds of sale of the pledged Shares shall be applied in the following order:
 - (a) to pay the costs reasonably incurred by the Pledgee in the enforcement of the Share Pledge, including, to the extent not prohibited by UAE law, legal expenses;
 - (b) in satisfaction of the claims of any person having a priority interest in the pledged Shares;
 - (c) in satisfaction of the amount secured by the Share Pledge;
 - (d) to any person having a claim in respect of the pledged Shares subordinate in priority to the Pledgee's interest but in priority to that of the Pledgor; and lastly,
 - (e) to the Pledgor.

PART 18 – MERGER

106. INTERPRETATION

- 106.1. A Company may, together with another Company of the Free Zone, provided that both are authorised under their articles of association, make an application to the Registration and Licensing Department for a merger.
- 106.2. A Company, if authorised under its Articles, together with a Non-Dubai South Company, if authorised by the laws and regulations of the jurisdiction in which it is registered, may make an application to the Registration and Licensing Department for merger in the Free Zone.



- 106.3. This Part 18 does not apply to a Company if such company is being liquidated pursuant to the provisions of the applicable Bankruptcy Law.
- 106.4. In Part 18, a reference to a:
- (a) “Merging Company” or “Merging Companies” means a Company or Non-Dubai South Company which is a party to a merger to which this Part 18 applies;
 - (b) “Merged Company” means the entity resulting from the merger which can be either incorporated under these Regulations or the companies’ legislation in another jurisdiction; and
 - (c) “Merger Agreement” means an agreement referred to in Regulation 106.
- 106.5. For the purposes of this Part 18, the Registration and Licensing Department may prescribe:
- (a) pre-registration steps, documents and information applicable to mergers; and
 - (b) any other procedure or matter that is required to assist or facilitate a merger to which this Part applies.

107. RESOLUTIONS AND CERTIFICATES

- 107.1. Directors of the Merging Company shall pass a resolution which shall be approved by the majority number of Directors that:
- (a) in the opinion of the Directors, merger is in the best interests of the Merging Company; and
 - (b) the Directors have no conflict of interest.
- 107.2. Directors of the Merging Company shall also issue a solvency certificate stating that the Company will be able to continue to carry on business and discharge its liabilities as they fall due for a period of twelve (12) months after the signing of the certificate or the date on which the merger is completed, whichever is the later. The grounds for that opinion are with regard to:
- (a) the prospects of the Merged Company;
 - (b) proposals in any Merger Agreement with respect to the management of the Merged Company’s business; and
 - (c) the financial resources that will be available to the Merged Company.

108. MERGER AGREEMENT

- 108.1. For the purposes of a merger, each Merging Company shall enter into a Merger Agreement with each other which shall state the terms and means of effecting the merger, including:
- (a) details of the proposed Merged Company;
 - (b) names, details and service addresses of the persons who are proposed Officers of the Merged Company;
 - (c) business activity and management of the Merged Company;
 - (d) Share Capital and Shareholder information of the Merged Company, along with information on cancellation of any Shares, when the merger is completed;
 - (e) transfer of any Securities of a Merging Company, if applicable;
 - (f) the proposed Articles of the Merged Company, along with any other document or information that would be required to be delivered to the Registration and Licensing Department if the Merged Company were to be registered under these Regulations;
 - (g) provision in relation to termination of the merger; and
 - (h) any other provision as may be required by the Merging Companies for purposes of compliance with these Regulations.



109. APPROVAL FOR MERGER

- 109.1. A Merging Company shall send a notice for convening a General Meeting of Shareholders. Where there is more than one (1) class of Shareholders, separate meetings of each class shall be convened.
- 109.2. Notice of each meeting under Regulation 109.1 shall be accompanied by:
- (a) copy of Merger Agreement;
 - (b) report on the Company's financial position and rationale for the merger;
 - (c) details of the entity that the Company will merge with;
 - (d) copy of the Directors' resolution and solvency certificate under Regulation 90 in respect of that Company;
 - (e) copy of the proposed Articles for the Merged Company; and
 - (f) such further information as a Shareholder would reasonably require for making an informed decision with regard to the merger.
- 109.3. A merger may be approved when a Special Resolution is passed by the Merging Company and, where there is more than one (1) class of Shareholders, a Special Resolution passed by each separate class.

110. OBJECTION BY SHAREHOLDERS

- 110.1. A Shareholder of a Merging Company may apply to the Company or the court for objection to the merger on the ground that the merger would unfairly prejudice the interests of the Shareholder.
- 110.2. An application for objection under Regulation 112.1 may not be made:
- (a) More than twenty-eight (28) days after the merger is approved under Regulation 109.3; or
 - (b) by a Shareholder who voted in favour of the merger.

111. NOTICE TO CREDITORS

- 111.1. No later than twenty-eight (28) days after a merger is approved under Regulation 109.3, a Merging Company shall send written notice to each of its Creditors known to the Merging Company, after having made reasonable enquiries.
- 111.2. The notice shall state:
- (a) that the Company intends to merge, with another company, details of which to also be specified in the notice;
 - (b) name and details of the contact person of the Company in case of any objection; and
 - (c) that an accurate summary of the material terms of the Merger Agreement and the Company's Special Resolution is available to Creditors from the Company, free of charge, on request.
- 111.3. Notwithstanding Regulation 111.1 and no later than twenty-eight (28) days after a merger is approved under Regulation 109.3, the Merging Company shall also arrange for Publication, in the manner prescribed by the Registration and Licensing Department from time to time stating:
- (a) that the Company intends to merge, with another company, details of which to also be specified in the notice; and
 - (b) name and contact details of the contact person of the Company in case of any objection.
- 111.4. A Creditor of a Merging Company who objects to the merger may within twenty-eight (28) days of:
- (a) the date of notice under Regulation 111.1 and 111.3, give notice of the Creditor's objection to the Merging Company; and
 - (b) the date of the notice of objection, if the Creditor's claim against the Merging Company has not been discharged, apply to the court for an order restraining the merger or modifying the Merger Agreement.



112. CONSENT OF REGISTRATION AND LICENSING DEPARTMENT

112.1. An application for consent of the Registration and Licensing Department shall not be made until after expiry of:

- (a) at least thirty (30) days from the date of the publication of a notice under Regulation 118.3; and
- (b) the time for making any objection by the Shareholder and Creditor has elapsed.

112.2. The application for merger shall be accompanied by:

- (a) a copy of the Merger Agreement;
- (b) the Special Resolutions passed under 116.3;
- (c) a copy of Directors' resolution and solvency certificate under Regulation 90 in respect of each Merging Company;
- (d) corporate documents of the Non-Dubai South Company with the merger shall take place (in such form as may be prescribed by the Registration and Licensing Department)
- (e) a copy of the notice to Creditors under Regulation 111.1, with copy of the newspaper publications under Regulation 111.3, in respect of each Merging Company;
- (f) information if the Merged Company will be a new Company or a Non-Dubai South Company along with:
 - (i) consent of the Directors; and
 - (ii) copy of its proposed constitutional documents.
- (g) payment of applicable fee as set out in the Tariff;
- (h) any other information or documents as may be required by the Registration and Licensing Department; and
 - (i) Where the Merged Company becomes a Non-Dubai South Company, evidence that:
 - (i) laws of the jurisdiction where the Merged Company will continue as a Non-Dubai South Company permit the proposed merger;
 - (ii) the property and rights to which the Merging Companies were entitled to immediately before the merger will become the property and rights of the Merged Company;
 - (iii) the Merged Company will become subject to all liabilities, and any contracts, debts, and other obligations, to which the Merging Companies were subject immediately before the merger; and
 - (iv) any actions and other legal proceedings that, immediately before the merger, were pending by or against any of the Merging Companies may be continued by or against the Merged Company.

112.3. The applicants shall:

- (a) notify the Registration and Licensing Department of any objection of which they become aware after the application;
- (b) notify the Registration and Licensing Department of the result once any objection, whenever made, has been disposed of; and
- (c) provide to the Registration and Licensing Department any further document or information required by the Registration and Licensing Department in connection with any such objection.

112.4. "objection" means giving of notice of objection by a Shareholder or Creditor of a Merging Company pursuant to Regulations 110.1 and 111.4.

112.5. A person who, in or in connection with an application knowingly or recklessly provides to the Registration and Licensing Department any information or document which is false, misleading or deceptive is liable to a fine, to be determined by the Registration and Licensing Department from time to time.



113. EFFECT OF COMPLETION OF MERGER

- 113.1. On the completion date of the merger, the Merging Companies are merged and continue as one (1) Merged Company as provided in the Merger Agreement or the Special Resolution.
- 113.2. When a merger is completed in which the Merged Company is a Company in accordance with these Regulations:
- (a) the Merged Company becomes entitled to all the property and rights to which each Merging Companies were entitled to immediately before the merger was completed;
 - (b) the Merged Company becomes subject to all liabilities, and all contracts, debts and other obligations, to which each of the Merging Companies were subject to before the merger was completed; and
 - (c) any legal or other proceedings which, immediately before the merger, were commenced by or against any of the Merging Companies may be continued by or against the Merged Company.
- 113.3. Entry by the Registration and Licensing Department in the Register is conclusive evidence of the registration of the Merged Company.
- 113.4. On completion of the merger, the Registration and Licensing Department may issue the following documents in relation to the Merged Company (that continues as Company under these Regulations):
- (a) a revised License;
 - (b) a Share certificate;
 - (c) a certificate of incorporation;
 - (d) a certificate approving merger; and
 - (e) a registered Articles.

PART 19 – SANCTIONS

114. CONTRAVENTIONS

- 114.1. A person who knowingly commits a contravention of these Regulations or any other regulation, rule, policy or decision administered by Free Zone will, at its absolute discretion, be subject to a sanction, fine or penalty up to the amount specified in the Violations Code.
- 114.2. For the purposes of this Regulation 114, the Registration and Licensing Department may prescribe the applicable procedure in relation to the imposition, publication, collection and recovery of fines or penalties.
- 114.3. Where the Registration and Licensing Department considers that a person or an entity has contravened a provision of these Regulations, the Registration and Licensing Department may impose a penalty which may include the termination of the License(s), imposition of a fine or any other penalty as deemed necessary.
- 114.4. The Registration and Licensing Department may report contraventions and other reasonable concerns and information to any or all local or UAE authorities and/or regulators.

115. NON-PAYMENT OF FEES

- 115.1. If an entity has failed to pay any fees or penalties required to be paid to the Registration and Licensing Department under these Regulations, the Registration and Licensing Department may send a notice requiring the entity to make the required payment within thirty (30) days, failing which it may be struck off from the Register.



115.2. If an entity has been struck off the Register under Regulation 115.1, the Company, Branch, a Creditor, or liquidator, within one (1) year following the date of the striking off, may apply to the Registration and Licensing Department for the restoration of such entity upon payment of all fees due and any penalties imposed by the Registration and Licensing Department. The Registration and Licensing Department shall then restore the entity to the Register, and the entity shall be deemed not to have been struck off the Register.

116. TERMINATION OF LICENSE

116.1. The Registration and Licensing Department may send a notice to strike off an entity from the Register, where it appears that an entity:

- (a) has ceased to carry out business for a period of more than two (2) years;
- (b) has carried out any business for which it is not registered or permitted to carry out under its License;
- (c) has failed to comply with the provisions of these Regulations or any other regulation, rule, policy or decision applicable to the Free Zone;
- (d) has failed to comply with any sanction or direction imposed by the Registration and Licensing Department under these Regulations;
- (e) has provided false, incorrect or misleading information to the Registration and Licensing Department; or
- (f) is conducting operations that is dangerous or is otherwise necessary to protect the reputation and interests of the Free Zone;
- (g) has failed to comply or is conducting any operations in contravention of the Rules

116.2. The Registration and Licensing Department may send a notice to the entity setting out the reasons for its belief pursuant to Regulation 116.1 and requesting the entity to show reason why it should not be struck off ("First Strike Off Notice").

116.3. If within one (1) month of sending the First Strike Off Notice, the Registration and Licensing Department does not receive any response from the entity, the Registration and Licensing Department, may send a second notice ("Second Strike Off Notice") notifying the entity, that at the end of three (3) months from the date of First Strike Off Notice, the entity shall, unless reason is shown to the contrary, be struck off from the Register. At the end of the notice period mentioned in the Second Strike Off Notice, the Registration and Licensing Department may, unless there is a reason to the contrary shown, strike-off the name of such an entity from its Register.

116.4. Any entity whose License has been cancelled, revoked or struck off by the Registration and Licensing Department, shall, if applicable, immediately vacate the premises and restore them in the same condition they were in at the time of its entry into its lease agreement. Failure to comply with the provisions of this Regulation 116.5 shall entitle the Registration and Licensing Department to enter the premises and procure that the premises are vacated in accordance with applicable Rules and Regulations of the Free Zone.

116.5. The Registration and Licensing Department has the right to deduct any fee due from the entity to the Registration and Licensing Department and the entity shall not dispute or challenge the Registration and Licensing Department's actions.

117. IMPLICATIONS OF STRIKE-OFF

117.1. On the striking-off of a Company from the Register:

- (a) the claims, debts, liabilities and obligations (if any) of every Officer and Shareholder of the Company continues and may be enforced as if the Company had not been struck-off of the Register. If such Company purports to enter into any obligation following it being struck-off, any person purporting to bind such Company in respect of such obligation shall be personally liable for that obligation; and



- (b) if a Company has been struck-off the Register pursuant to Regulation 115, the Registration and Licensing Department may (but is not obliged to) submit to the Court a petition for the liquidation of the Company.
- 117.2. On the striking-off of a Branch from the Branches Register, any claims, debts, liabilities and obligations of the Branch shall remain that of the Branch Parent.
- 117.3. On the striking-off of a Sole Establishment from the Sole Establishment Register, any claims, debts, liabilities and obligations of the Sole Establishment shall remain with the natural person that is its owner.
- 118. APPLICATION TO COURT**
- 118.1. The Registration and Licensing Department shall, at its absolute discretion, be entitled, at any time, to refer any matter or question that it deems appropriate to a court.
- 118.2. Without prejudice to Regulation 118.1, an application, in the first instance, may be heard when the court may direct that the proceedings shall be served on such persons, if any, as it shall think fit and that the application shall be supported by such evidence as the court shall require.
- 118.3. Shareholders may resort to any court or a competent dispute resolution forum of their choice to resolve any dispute arising between the Shareholders and/or Officers, provided that any such court or tribunal have the competent jurisdiction to adjudicate on the concerned dispute.